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THE SHAW SELLING SERIES

Edited by

**THE BUREAU OF BUSINESS STANDARDS
THE SHAW PUBLICATIONS**

THE SERIES: HANDLING SALESMEN AT LOWER COST;
MORE SALES THROUGH ADVERTISING; ORGANIZING FOR
INCREASED SALES; GOOD WILL, TRADE-MARKS, AND UN-
FAIR TRADING; GRAPHIC AND STATISTICAL SALES HELPS.



IMAGINATION—MASTER FORCE

THERE is always room for a man of force, and he makes room for many. Society is a troop of thinkers, and the best heads among them take the best places. A feeble man can see the farms that are fenced and tilled, the houses that are built. The strong man sees the possible houses and farms. His eye makes estates as fast as the sun breeds clouds.

—Emerson

GRAPHIC AND STATISTICAL SALES HELPS

COMPARATIVE AND STATISTICAL DATA FOR SALES EXECUTIVES ON MANUFACTURING, WHOLESALING, AND RETAILING—CHARTS, GRAPHS, AND SPECIAL MAPS WHICH VISUALIZE SELLING FACTS



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no 1

WHY THIS BOOK IS OF VALUE TO YOU

NOWHERE are charts, graphs, maps, comparative data and cost figures of more value than in the sales end of a business. That is why this volume has been included in the Shaw Selling Series, for it tells you just how statistics and visual records of many types have profitably been put to use to help in estimating costs, in outlining selling campaigns and policies, and the like.

Of course, records and charts must actually be used if they are to get results. No matter how good a chart may be, unless the information it pictures is vitalized—put into practise for bigger selling results—it is of little use to you in meeting your selling problems.

As you thumb through the volume you will find many tabulations indicating the business death rate, costs of doing business, production costs and other valuable data bearing directly on the manufacturing, wholesaling, and retailing branches of commerce. This material was collected during a period not affected by abnormal business conditions and the question of whether or not they still hold good will occur to you, because you will have in mind the radical influences on materials and prices during and after the Great War. This note is inserted here to answer any question you may have on this point.

The Bureau of Business Standards of the Shaw Publications has been constantly watching the effect of current economic changes on the figures. As a result the Bureau has decided that the figures remain indicative and that you will find them as useful now

PREFACE

as when they were first collected. Otherwise the Bureau would have supplied new figures from its current studies.

The reader should bear in mind that the cost figures are expressed in percentages. The recent increases in the cost of production have been accompanied by a corresponding increase in the market price of these products and also in the general demand for them. The same is true in wholesale and retail circles. Naturally it costs more in dollars and cents to run a store or manufacture a certain product today than it did five years ago, but the percentages of costs (expressed as percentage of the total sales) have held about the same.

As a matter of fact, in stores of a certain type, particularly department or "general" stores in cities around 30,000 to 50,000, increases in the cost of doing business have been very small indeed.

Here is an instance which indicates how accurate the Bureau has been in making these conclusions. The Bureau of Business Research of the Harvard Graduate School of Business Administration recently announced the results of an investigation into the current cost of selling hardware at retail. It placed the common cost at 20.6% of sales. On another page of this book you will find the figures placed at 20.6% of the sales. You see the percentages have remained the same while the actual costs changed under them. The explanation is merely that the percentages figured on the sales cloak the higher costs. The book should therefore help you materially to ferret out hidden cost increases and suggest ways to meet them.

The statistics contained in this volume are the most recent available at the time of going to press, and regardless of the year of origin will serve the

PREFACE

main purpose for which they are inserted—to indicate trends and underlying percentages—as the price fluctuations characteristic of late years, and probably in store for coming years, throw all data of their type into rearrangement. Except as otherwise noted the figures are in the main for 1917, the principal exceptions being: page 35, 1915; pages 11, 18, 19, and 24 to 28, 1909; page 173, 1914 (incomes); page 98, 1910.

Later figures, the very latest continuing those in any table in this book, may be secured for the asking as soon as they are available, by any purchaser of the volume on request to the Librarian of the Shaw Publications.

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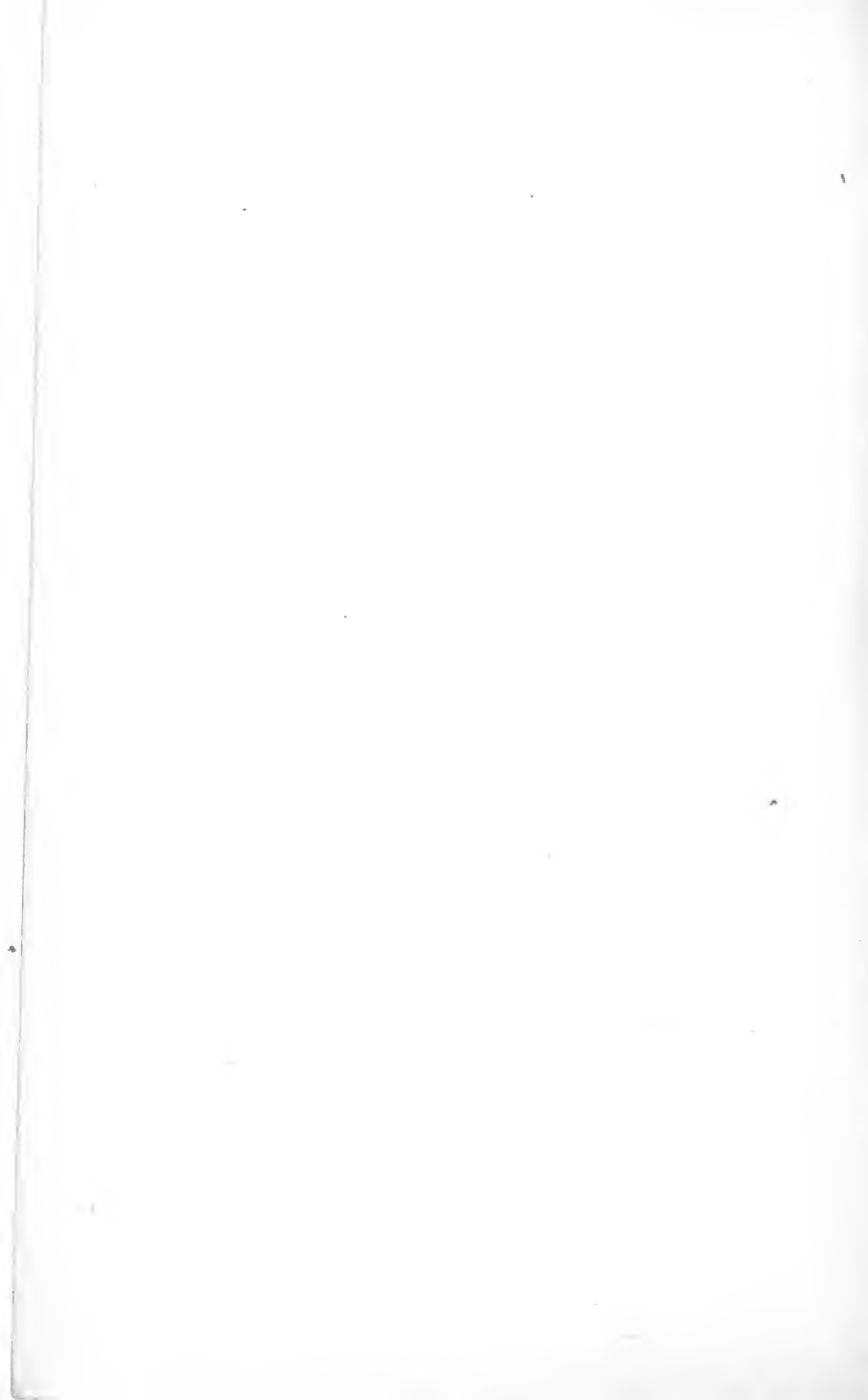
country general stores compare. National rate of turnover averages from 700 American stores for 10 standard types. Average rates of turnover from departmentalized stocks for 12 representative lines. Profits in 60 lines and trades. Typical gross profits. Typical net profits for retail stores by lines. Typical gross profits for department stores. Typical profits and costs by trades. Depreciation and shrinkage losses in retail lines. The cost of supplies. The heat, light, and power costs of retailers. The cost of general expenses in retailing. Bad debt losses from the books of 1,000 stores. What it costs retailers to deliver by electricity. National delivery cost standards. The percentage cost of advertising normally paid for by retailers. Percentages of retail sales spent for insurance and taxes. Analyses of the costs of doing business and profits from 38 stores in cities of from 7,500 to 300,000 or over, in 24 states. Cost averages and expenses by lines from the books of 1,569 retail concerns. A comprehensive analysis of the operating costs of one representative retail business. How these figures can be used profitably by merchants of other lines. Death rate of retail concerns. Death rate by "generations" for 10 retail lines. How fast 1,615 retail stores died. The life and death records of 2,550 retail concerns during a period of 30 years. Mortality figures by "generations" for 10 retail lines. Will my store keep going for 15 years? Changes in retail dealers in typical cities during a period of 22 years. What are the causes for discontinuing business? Where the merchants of today are coming from. Bradstreet's classification of business failures. Data on the per capita consumption in the United States of essential products. Total income taxes paid in each state by individuals and corporations. How do American families spend their incomes? An analysis of the expenses of an average American family.

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PART I

PRODUCTION DATA AND FIGURES WHICH HELP IN SELLING



PART I

PRODUCTION DATA AND FIGURES WHICH HELP IN SELLING

THE saying, "figures never lie," is not strictly true, you will agree. Figures may be made to misrepresent, but they may also be made a most effective method for "taking the pulse" of a business.

Statistics are dry—no question about that—but their dryness usually is most clearly apparent to the man who lacks imagination with which to picture the conditions reflected by the figures. Figures plus imagination will usually prove mighty interesting to any man who is actively associated with the business from which the figures were derived.

Most sales executives who have taken up the study of statistics as an aid in solving problems of sales management are enthusiastic about them. By means of figures they are able, they declare, to observe business tendencies more accurately than before, and to take advantage of their full significance. Parallel sets of figures—one a standard or normal, against which the other set of actual figures may be compared—show up weak spots in methods unerringly, as a rule.

The purpose in this volume is to present statistics of value to business in all lines and localities. The task has been one of elimination—to discard figures which held out no particular advantage to business men. For a man may get up a set of figures, if he wishes, on almost any conceivable subject, and be scarcely better off than he was before.

Here, on the other hand, each table of figures has been subjected to the tests of utility and interest to those who read these books. These figures are an assembling of facts in the form of numbers and percentages, which have a bearing upon the methods and policies described in the other volumes. They may be of direct value to you, or they may suggest how you may draw up, easily and quickly, similar information about your own business. In either event, they perform a most useful function.

PRODUCTION DATA AND COST FIGURES

Have you ever wondered if there are figures available on the business death rate of manufacturing concerns more or less like those on the death rate among men and women? Here are some interesting figures of this sort, based on careful first-hand investigation. These figures are important in judging any production problem—for they indicate the importance of knowing all the facts, of carefully allowing for all eventualities, before the cost of producing is finally settled upon. Production plans undertaken without full knowledge of all that may be ahead explain a large part of the business death rate.

DEATH RATE OF MANUFACTURING CONCERNS

(The rate is given as the percentage of failures to total in the business during a period of 30 years)

Line	Rate
1. Furniture	53.7%
2. Flour and grist mill products.....	53.0%
3. Iron-works products.....	58.9%
4. Printing	48.2%
5. Lumber and timber products.....	75.0%
6. Boots and shoes.....	57.1%
7. Cigars and tobacco.....	75.4%
8. Hosiery and knit goods.....	30.0%
9. Creamery products.....	56.5%
10. Brass, bronze, and copper products.....	52.1%
11. Clothing	43.3%
12. Drugs	68.1%
13. Automobiles	57.1%
14. Carriages and wagons.....	71.6%
Death rate for 14 leading lines.....	57.1%
Death rate for 199 other lines.....	66.9%
Death rate for 1,327 factories in 213 lines..	62.0%

DEATH RATES BY "GENERATIONS" FOR 14 MANUFACTURING LINES

(Percentage of total concerns which died within each 5-year period)

Line	1891	1896	1901	1906	1911
Furniture.....	62%	25%	58%	39%	45%
Flour and grist mills	16%	33%	.....	.....	.....
Iron-works.....	44%	33%	44%	50%	50%
Printing.....	33%	60%	33%	40%	40%
Lumber and timber	60%	75%	66%	66%	50%
Boots and shoes.....	.....	50%	.....	.....	.....
Cigars and tobacco..	52%	62%	63%	45%	77%
Hosiery and knit goods.....	.....	.....	33%	.....	.....
Creamery goods....	100%	60%	100%	75%	50%
Brass, copper, and bronze.....	75%	50%	66%	50%	40%
Clothing.....	.....	33%	50%	14%	42%
Drugs.....	66%	80%	90%	33%	80%
Automobiles.....	.....	.....	.....	.....	100%
Carriages and wagons.....	63%	92%	41%	33%	20%

EXPECTANCY OF LIFE FOR A NEW MANUFACTURING BUSINESS

In business 5 years or less.....	6
In business between 5 and 10 years....	4
In business between 10 and 15 years.....	5
In business between 15 and 20 years.....	1
In business between 20 and 25 years.....	6
In business between 25 and 30 years.....	0

MORTALITY FOR 33 PLANTS

In business 5 years or less.....	17
In business between 5 and 10 years.....	5
In business between 10 and 15 years.....	5
In business between 15 and 20 years.....	2
In business between 20 and 25 years.....	1
In business between 25 and 30 years.....	0

These tables are based on figures showing the number of concerns that "died" in less than 30 years. Wholesale and retail chances for life, as indicated by figures secured through investigation in these lines are shown in the two other sections of the book and should be referred to in analyzing these figures.

HOW LONG WILL MY FACTORY PROBABLY LIVE?

Line	Chances in 10 to live	
	10 Years	15 Years
Furniture.....	5.0	4.2
Flour and grist mills.....	8.1	5.4
Iron works.....	5.6	5.0
Printing.....	5.7	4.2
Lumber and timber.....	3.4	2.0
Boots and shoes.....	7.1	4.2
Cigars and tobacco.....	4.3	2.9
Hosiery and knit goods.....	8.3	6.6
Creamery goods.....	2.5	2.5
Brass, bronze, and copper.....	3.5	2.8
Clothing.....	6.6	3.3
Drugs.....	2.8	2.8

Close analysis of business mortality figures suggests that the rate is increasing somewhat. It is quite obvious, of course, that keener competition, increasing costs of doing business and more constantly fluctuating market conditions are in large measure responsible for this increase because they are more uncertain factors today that they were 10 or 15 years ago. While many concerns are "safe," to all intents and purposes, no business need feel wholly secure. It is too easy to skid.

DETAILED "DEATH RATE" RECORD OF FACTORIES INVESTIGATED

In business 5 years or less.....	123
In business between 5 and 10 years.....	26
In business between 10 and 15 years.....	8
In business between 15 and 20 years.....	1
In business between 20 and 25 years.....	3
In business between 25 and 30 years.....	0

CAUSES FOR BUSINESS DEATHS

MANUFACTURING

Inflexible advertising policies	One-man domination
Carelessness in making contracts	Overlooking new demands
Neglect of established line	Poor fire protection
Unwise experimentation	Unstandardized product
Concentration on unprofitable line	Interference of stockholders
Exorbitant overhead expense	Lack of systematic methods
Diffused attention	Difficulties in getting raw materials
Heavy borrowing	Not investigating market before starting
Over-production	Bad buying
Poor design	Too much waste and spoilage
Inexperience	Trying to change market to fit product, rather than product to fit market
Lack of capital	Too much competition
Poor equipment	Antiquated selling methods
Building on another's reputation	

WHOLESALE

Eagerness for big profits	Lack of supply for private brands
Lack of organization by lines	Indiscriminate extension of credit
Failure to cooperate with other lines	Failure to foresee changes in style
Too much competition	Poor collection methods
Failure to advertise	Unwillingness to help the retailer
Overbuying	Handling inadequately advertised lines

RETAIL

Failure to investigate the trade	Undue eagerness to make a big splurge
Unwise selection of clerks	Labor difficulties
Failure to build a store personality	Bad health
Ignorance of overhead expense	Failure to take a legitimate profit
Bad accounting and poor collections	Poor stocks
Overbuying	Increasing cost of doing business
Cut-rate competition	Poor equipment
Poor delivery system	Unsupported advertising
Lack of capital	Small margin of profit
Poor location	Returned goods

Figure 1: These are some of the leading causes for failure in the locality investigated among the three classes of business. Each cause has accounted directly for a number of failures. Frequently it was found that failure resulted from a combination of several causes.

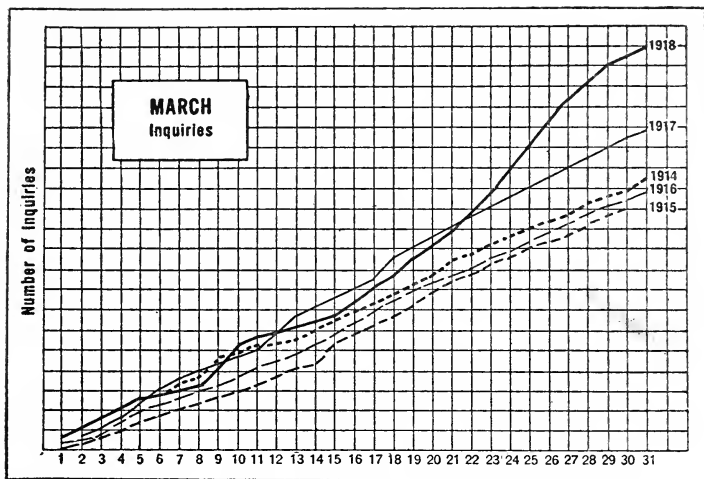


Figure 2: To be sure that its business is receiving a proper volume of inquiries, and that the strength of the follow-up is right, one concern uses the graphs shown above, and also those shown in Figures 2 and 3.

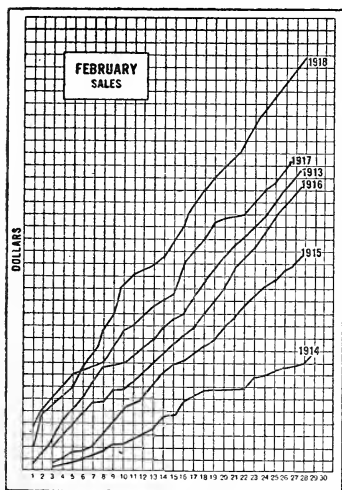


Figure 3: Sales are plotted on this monthly chart, which compares results with those of previous years.

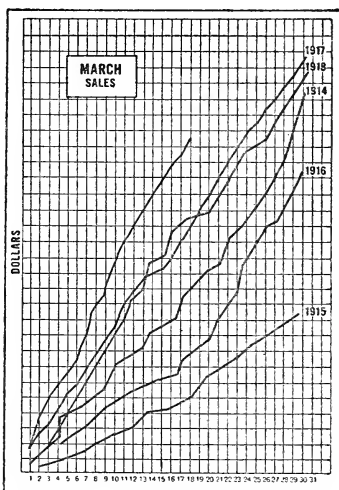


Figure 4: On the 18th of March, as this chart shows, sales were seven days ahead of the previous year.

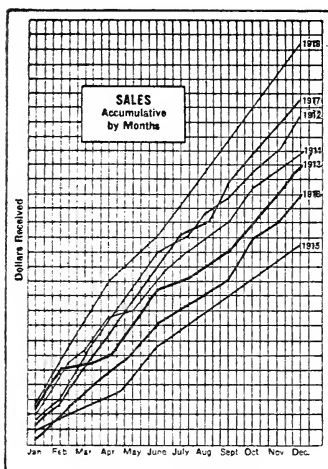


Figure 5: This record gives a cumulative record of the total sales for a number of years by months.

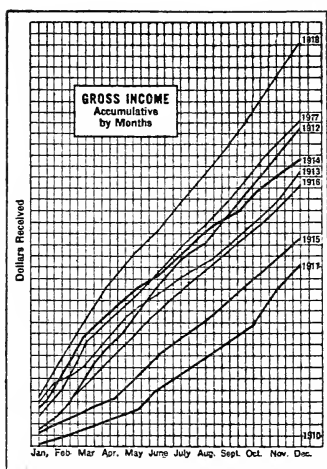


Figure 6: Another record shows "gross income," other than from sales, cumulatively by months.

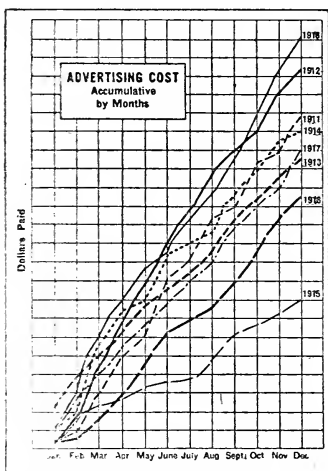


Figure 7: To interpret sales fluctuation, the advertising costs are kept cumulatively for each year.

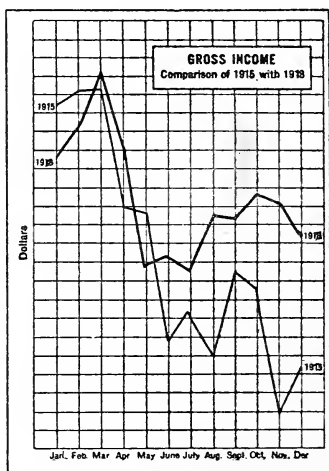


Figure 8: This chart showed that 1918 sales were running like those of 1915 and helped check a slump.

INDUSTRIES AND MANUFACTURERS PER CAPITA
FIGURES BY LINES

(Population estimated 98,000,000)

Line	Number	Capita Ratio
Artificial stone products.....	3,548	27,621
Bookbinding and blankbook-making	1,124	87,189
Boots and shoes.....	1,355	72,325
Bread and other bakery products...	25,963	3,778
Brick, tile, and pottery.....	3,634	26,968
Butter.....	4,356	22,498
Canning and preserving fruits and vegetables.....	3,153	31,113
Carriages and wagons.....	4,601	21,300
Cheese.....	3,082	31,797
Clothing (men's).....	4,830	20,293
Clothing (women's).....	5,564	17,613
Confectionery.....	2,391	40,987
Cooperage.....	1,259	77,751
Copper, tin, and sheet-iron work...	4,527	21,648
Cotton goods.....	1,220	80,328
Electrical machinery and apparatus	1,030	95,146
Flour- and grist-mill.....	10,788	9,084
Foundry and machine-shop products	14,446	6,784
Fur goods.....	1,322	74,130
Furniture.....	3,192	30,701
Gas (illuminating and heating).....	1,284	76,324
Hosiery and knit goods.....	1,622	60,419
Ice (manufactured).....	2,543	38,580
Jewelry.....	1,914	51,202
Liquors (malt).....	1,250	78,400
Lumber and timber products.....	27,249	3,596
Lumber (planing mill products)...	6,061	16,151
Marble and stone work.....	4,901	19,995
Mattresses and spring beds.....	1,000	98,000
Millinery and lace goods.....	2,079	47,138
Mineral and soda waters.....	5,463	17,939
Patent medicines and compounds...	2,903	33,755
Printing and publishing (book and job)	12,115	8,089
Printing and publishing (newspaper and periodicals).....	19,317	5,073
Saddlery and harness.....	2,551	38,416
Ship- and boat-building (wooden)...	1,068	91,760
Slaughtering and meat-packing.....	1,279	76,622

Line, continued	Number	Capita Ratio
Structural ironwork (not made in steel-works or rolling-mills).....	1,235	71,255
Tobacco, cigars, and cigarets.....	13,515	7,251
Turpentine and rosin.....	1,394	71,011

You will find in the group of tables on the pages immediately following a number of ideas useful in, or adaptable to, many lines of business. Probably yours is among them.

These tables are taken from "The Wool Industry," a Shaw publication by Professor P. T. Cherington, and cover various phases of the wool industry.

For business men in other lines the usefulness of these statistics lies chiefly in the tendencies they indicate. For example, take this quotation from the preface:

"Early in this investigation it was observed that the characteristics of the woolen and worsted industries are determined, not so much by problems of raw material supply, or of cloth production, as by the problems involved in marketing the finished fabrics. It became evident, for example, that the present relative importance of the output of worsteds as compared with woolens is not due to the greater number of sheep being grown which produce wool suitable for such fabrics. On the contrary, it appeared that whatever connection exists between these phenomena, the change in the character of the demand for fabrics is the cause, and the change in the character of wool-growing the effect rather than vice versa. Again, the large scale of the worsted mills and their marked geographic concentration seem to be largely due to the conditions under which staple worsteds are sold. In other words, it was plain that in both the woolen and worsted industries the casual forces in the development of the production activities are the wants and habits of the buying public."

There you have it—the ultimate consumer is the “boss” even of the largest trade and industrial developments and tendencies. The manufacturer and distributor may have a lot to do, of course, with shaping his needs and habits, but that is another question.

Carrying further the analysis of wool establishments, we have here a table with some features of the concentration by states. These figures are taken from the census in the Tariff Board Reports.

	Number of estab- lishments	Cost of materials (millions)	Product value (millions)
United States.....	587	\$65.6	\$107.1
Connecticut.....	36	5.1	8.4
Maine.....	55	7.6	12.8
Massachusetts.....	94	19.8	32.2
New Hampshire.....	33	4.7	7.7
New York.....	30	2.9	4.9
Pennsylvania.....	104	10.2	16.0
Rhode Island.....	21	2.9	4.7
All others.....	214	12.1	20.1

The rapid growth of worsted manufacture is shown in this table, also reproduced from the census contained in the Tariff Board Reports. Note the tremendous increases all along the line during a period of 50 years.

	1909	1904	1899	1889	1879	1869	1859
Number of es- tablishments	324	226	186	143	76	102	3
Capital (mil- lions).....	\$295	\$162.4	\$132.1	\$68	\$20.3	\$10	\$3.2
Combing ma- chines (number)..	1,925	1,312	1,194	673	288	161	....
Spindles (thousands)	2,624	1,618	1,371	755	240	200	....
Looms (num- ber).....	45,270	30,910	26,372	1,909	5,144	116,128	....

	1909	1904	1899	1889	1879	1869	1859
Value of materials (millions).....	\$207.7	\$109.6	\$77	\$50.7	\$22	\$14.3	\$2.4
Value of product (millions).....	\$312.6	\$165.7	\$120.3	\$79.1	\$33.5	\$22	\$3.7

How worsted establishments are concentrated by states is shown here. Comparison of this table with that on page 9, shows that worsted manufacture is confined to a few states to a greater extent than is ordinary woolen manufacture. Three cities alone—Lawrence (Massachusetts), Providence, and Philadelphia—produce the greater part of the output.

	Number of estab- lishments	Cost of materials (millions)	Product value (millions)
United States.....	324	\$207.7	\$312.6
Connecticut.....	17	7.1	10.1
Massachusetts.....	74	66.0	106.0
New Jersey.....	21	18.3	29.6
New York.....	15	8.2	12.7
Pennsylvania.....	99	43.3	59.4
Rhode Island.....	67	48.1	69.8
All others.....	31	16.5	24.6

The total amount of fine wool retained in the United States for consumption during the 10 years ending with the first of the year 1915, and the percentage of these totals represented by imported wools, is given in this table prepared by the National Association of Wool Manufacturers.

FINE WOOL

Fiscal year	Retained for consumption (million pounds)	Percentage of imports
1904-05.....	426	31.54
1905-06.....	393	24.99
1906-07.....	390	23.50
1907-08.....	346	16.71

FINE WOOL, Continued

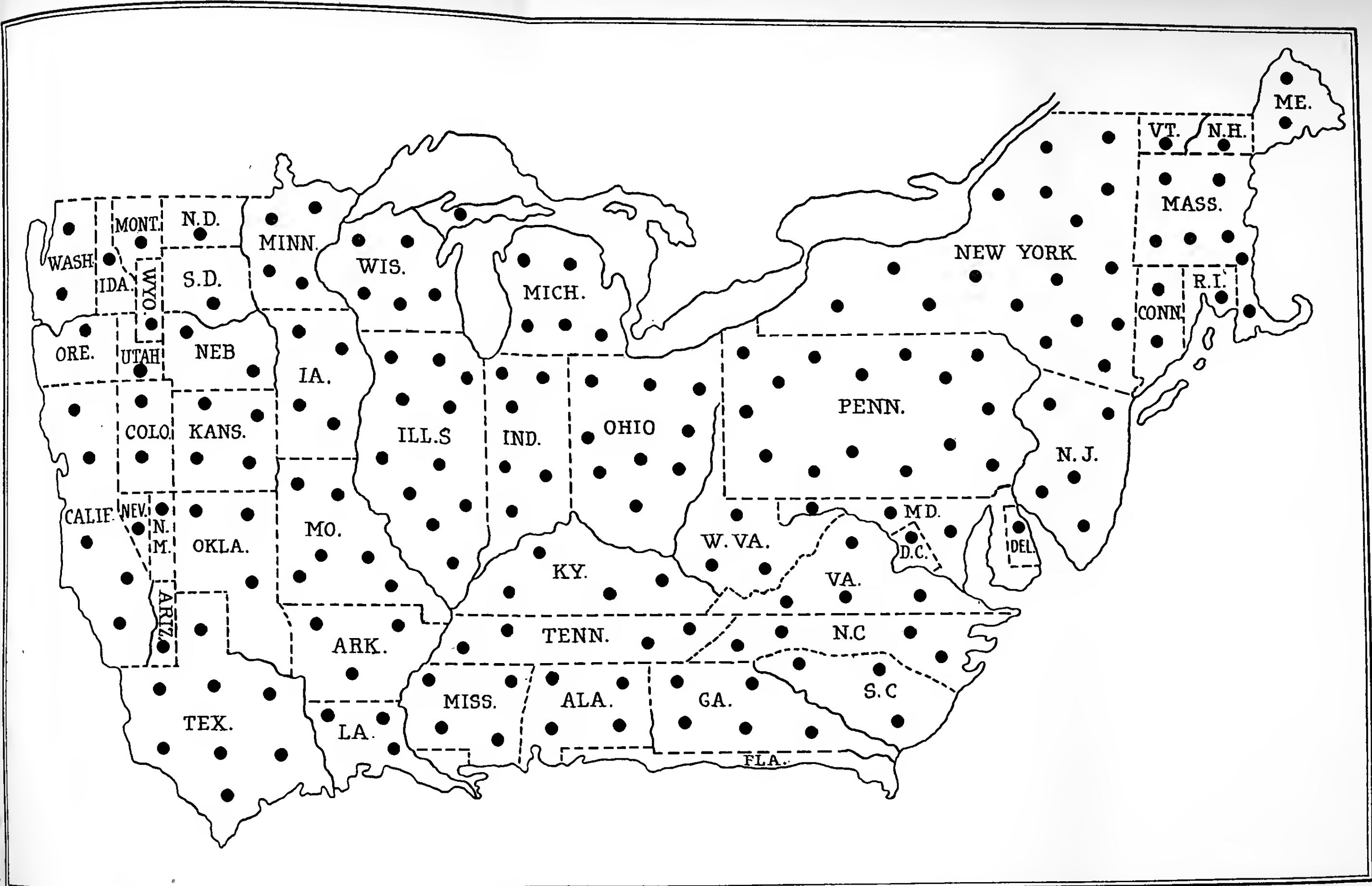
Fiscal year	Retained for consumption (million pounds)	Percentage of imports
1908-09.....	476	34.60
1909-10.....	467	29.90
1910-11.....	366	12.38
1911-12.....	404	21.02
1912-13.....	384	21.00
1913-14.....	441	32.84
1914-15.....	526	44.91

Examination of this table makes clear the connection between the scale of operation and the nature of the two great groups of products, staples, and novelties. For example, by comparing the yardage of worsted serges and the other chief worsted items with the yardage of woollens having the largest totals, and by observing how many more groups of products are necessary for listing woolen mill products than worsteds, it is easier to understand why large-volume plants have so much more important a place in the worsted than in the woolen industry.

Items	Woolen Industry		Worsted Industry	
	Sq. yds. (millions)	Value (millions)	Sq. yds. (millions)	Value (millions)
All wool:				
Wool cloth and men's wear...	35.1	\$24.5	5.7	\$4.7
Worsted coat- ings, serges, and suitings, men's wear...	5.0	4.3	114.5	97.5
Woolen over- coatings, cloak- ings, and so on, men's or women's wear..	13.6	10.2	1.0	1.0
Worsted overcoat- ings and cloakings, men's or women's wear.....	.1	.2	.4	.5

Items, continued	Woolen Industry		Worsted Industry	
	Sq. yds. (millions)	Value (millions)	Sq. yds. (millions)	Value (millions)
Wool dress goods and so on, opera and similar flannels and similar all wool dress goods.....	25.5	13.7	3.5	2.6
Worsted dress goods, cashmeres, and so on, for women's wear and buntings.....	1.9	1.1	103.8	52.0
Carriage cloths....	1.2	.6	....	....
Flannels for under- wear.....	3.3	.9	....	....
Blankets.....	4.4	2.5	....	....
Mohair dress goods	....	....	.3	.1
All other all wool..	.9	.5	1.8	1.3
Cotton mixed woven goods:				
Cotton mixed woven goods, total all types	....	....	3.6	1.6
Union tweeds, cassimeres, cheviots, etc., for men's wear.	15.3	6.2	....	....
Overcoatings and cloakings.....	4.2	2.3	....	....
Sacking, tricots, dress goods for women's wear, and opera and similar flannels.....	4.2	1.7	....	....
Flannels for under- wear.....	7.0	1.3	....	....
Blankets.....	1.7	.6	....	....
All other woolen mill products— cotton mixed woven goods.....	1.1	.4	....	....

INSERT I



Insert I: Whether or not the distribution of your product is based on density of population, you will find this map interesting. Each dot represents 500,000 people. An ordinary map-and-tack distribution sometimes is confusing, as it may make

certain parts of the country appear more favored than others. This map forestalls that objection. It shows how the United States would look if the states corresponded in size to their populations. A comparison of the "size" of states such as

Massachusetts and Texas, or New Jersey and Montana, for examples, on a population basis, presents some decidedly interesting and surprising facts. By checking sales volume against this map, you can tell if your distribution is what it should be.

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Items, continued	Woolen Industry		Worsted Industry	
	Sq. yds. (millions)	Value (millions)	Sq. yds. (millions)	Value (millions)
Cotton warp				
woven goods:				
Wool filled cassi- meres, doeskins, jeans, tweeds, and so on, for men's wear....	44.0	11.0	1.1	.8
Worsted filled cassimeres, doe- skins, jeans, tweeds, etc., for men's wear....	3.3	1.2	25.9	13.7
Wool filled dress goods and similar goods and repel- lants.....	12.2	2.5	...	...
Wool filled over- coatings and cloak- ings.....	1.9	3.9	...	...
Worsted filled dress goods, delaines, cashmeres, and so on, and stuffs for women's wear....	....	....	64.4	14.5
Domest flannels and shirtings....	4.5	.9	....	....
Cotton warp blan- kets.....	8.9	2.5	....	....
Horse blankets....	4.1	1.6	....	....
Carriage robes....	2.8	1.3	....	....
All other cotton warp goods.....	8.1	1.3	1.9	.7

Only four cities in the United States are prominent in woolen manufacture. A count of firms indicated as handling woolen or worsted goods, classified somewhat roughly, gives figures as shown in the table given on the following page. The total value of products in 1905 was \$355,000,000, and in 1910, \$485,000,000.

MEN'S CLOTHING MANUFACTURERS

These cost figures for the manufacture of clothing in 1910 show separately the cost of cloth and the cost of trimming. The prices given in the top line are average selling prices. Note that high-grade clothing—selling for \$15 and up—is divided into two classes, A and B, distinguished not so much by selling prices as by the relative emphasis on cloth and material cost in class A, as against the emphasis placed on workmanship and the consequent labor cost of manufacturing clothing in class B.

Items	Cheap Medium		High Grade		Chil-	Special	Average
	(\$8 and under)	(\$8 to \$15)	Class A	Class B			
Net sales.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Material cost:							
Cloth.....	47.1	36.8	34.1	26.6	35.0	33.2	35.4
Trimming..	13.7	17.1	18.4	15.8	17.1	9.8	16.6
Freight.....	.....	.....	.2	.3	.1	.1	.2
Total....	60.8	53.9	52.7	42.7	52.2	43.1	52.2
Manufacturing cost:							
Direct labor	21.0	23.2	23.4	28.5	25.7	25.8	23.8
Factory exp.	1.2	3.3	4.8	5.0	2.9	4.1	4.0
Total mfg. exp.	22.2	26.5	28.2	33.5	28.6	29.9	27.8
Total cost of mnfd. clothing..	83.0	80.4	80.9	76.2	80.8	73.0	80.0
General overhead exp.:							
Selling exp..	3.9	6.8	6.3	8.7	7.8	15.6	7.0
General exp.	3.0	3.9	3.7	3.2	5.2	8.6	4.0
Total....	6.9	10.7	10.0	11.9	13.0	24.2	11.0
Total Cost....	89.9	91.1	90.9	88.1	93.8	97.2	91.0
Profit.....	10.1	8.9	9.1	11.9	6.2	2.8	9.0

A trade directory gives the following figures covering concerns producing women's woolen and worsted clothing. As in the men's ready-to-wear clothing industry the contract system figures largely, and manufacture is generally concentrated in large eastern cities.

WOMEN'S CLOTHING MANUFACTURERS

Type of Product	New York	Chicago	Baltimore	Boston	Brooklyn	Cincinnati	Cleveland	Philadelphia	San Francisco	St. Louis
Suits and cloaks.....	643	50	17	42	1	13	24	76	5	9
Skirts (woolen).....	153	33	15	23	..	..	27	20	4	17
Children's cloaks and suits.....	157	..	..	..	1	..	..	15	..	..
Auto coats and rain coats.....	51	..	2	..	..	..	..	..	..	..

The figures presented in the following tables are intended to give you an idea of the amount of raw materials used in the manufacture of essential products. These statistics were compiled by the United States Bureau of the Census. In some instances where actual consumption figures were not available, the production figures are given. These figures, of course, do not include any wastage which occurs in the manufacturing process.

COTTON INDUSTRY

(Cotton goods, including cotton small wares)

Material	Pounds
Cotton.....	2,335,344,906
Domestic.....	2,259,312,974
Foreign.....	76,031,932
Cotton yarn.....	126,707,003
Cotton waste.....	80,044,061
Starch.....	71,774,574

HOSIERY AND KNIT GOODS INDUSTRY

Material	Pounds
Cotton.....	75,416,023
Wool, in condition purchased.....	7,068,788
Equivalent of above in scoured condition....	5,582,839

HOSIERY AND KNIT GOODS INDUSTRY

(Continued)

Material	Pounds
Shoddy, purchased.....	7,482,553
Wool waste and noils, purchased.....	8,586,261
Yarns, purchased:	
Cotton.....	216,987,611
Worsted.....	10,370,004
Woolen.....	6,140,265
Merino.....	4,014,609
Silk and spun silk.....	982,753
Yarns made in the establishment using—	
Cotton.....	69,171,277
Woolen.....	8,316,349
Worsted.....	223,404
Merino.....	20,856,989

WOOLEN INDUSTRY

(Exclusive of carpets and rugs)

Material	Pounds
Wool, in condition purchased.....	488,368,690
Domestic.....	320,298,916
Foreign.....	168,069,774
Equivalent in scoured condition.....	301,004,252
Hair.....	33,447,534
Camel, alpaca, and vicuna.....	4,659,409
Mohair.....	3,187,950
Domestic.....	2,444,561
Foreign (Turkish and so on).....	743,389
Other animal hair.....	25,600,175
Cotton.....	21,399,731
Domestic.....	18,412,493
Foreign (Egyptian, and so on).....	2,987,238
Tailors' clippings (rags, and so on).....	41,517,552
Shoddy, mungo and wool extract, purchased....	24,052,730
Waste and noils of wool, mohair, camel hair, and so on, purchased.....	32,629,812
Wool waste and noils.....	31,957,327
Mohair noils.....	604,985
Camel, alpaca, and vicuna noils.....	67,500

SILK INDUSTRY

Material	Pounds
Silks:	
Raw	17,472,204
Spun	2,112,972
Artificial	914,494
Organzine and tram, purchased	3,377,972
Fringe and floss, including waste, noils, and so on purchased	2,402,960
Yarns, other than silk:	
Cotton (not including mercerized)	12,617,292
Mercerized cotton	1,494,586
Woolen or worsted	610,588
Mohair	710,108
All other	353,780

IRON AND STEEL INDUSTRY

(Steel Works and Rolling Mills)

Material	Tons
Iron and steel:	
For furnaces and hot rolls—	
Pig iron, including ferroalloys	19,076,889
Pig iron	18,712,304
Ferroalloys—spiegeleisen, ferromanga- nese, and so on	364,585
Scrap from outside sources, including old rails not intended for rerolling	4,803,617
Ingots, blooms, billets, slabs, and muck scrap bar, rails for rerolling, and sheet and tin plate bars (from outside sources)	6,508,249
Rolled forms for further manufacture (from outside sources)—	
Skelp	176,717
Wire rods	146,425
Iron ore	835,338

AGRICULTURAL IMPLEMENT INDUSTRY

Product	Number Produced
Cultivators	908,297
Harrows	700,820
Plows	1,615,852
Seeders	61,970

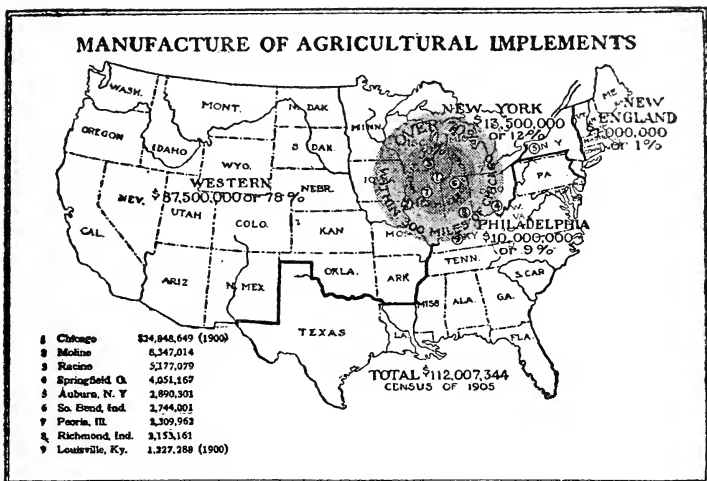


Figure 9: This map from "Selling Forces" shows how the manufacture of agricultural implements is distributed. It is interesting to note the concentration of over 70% of this industry in and around Chicago.

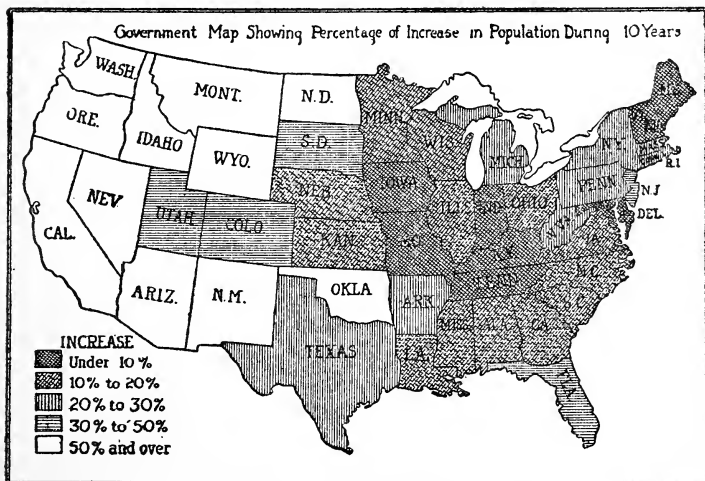


Figure 10: This Government map shows the approximate percentage of increase of population by states, in a recent period. Information of this sort is valuable when setting quotas, routing salesmen, and so on.

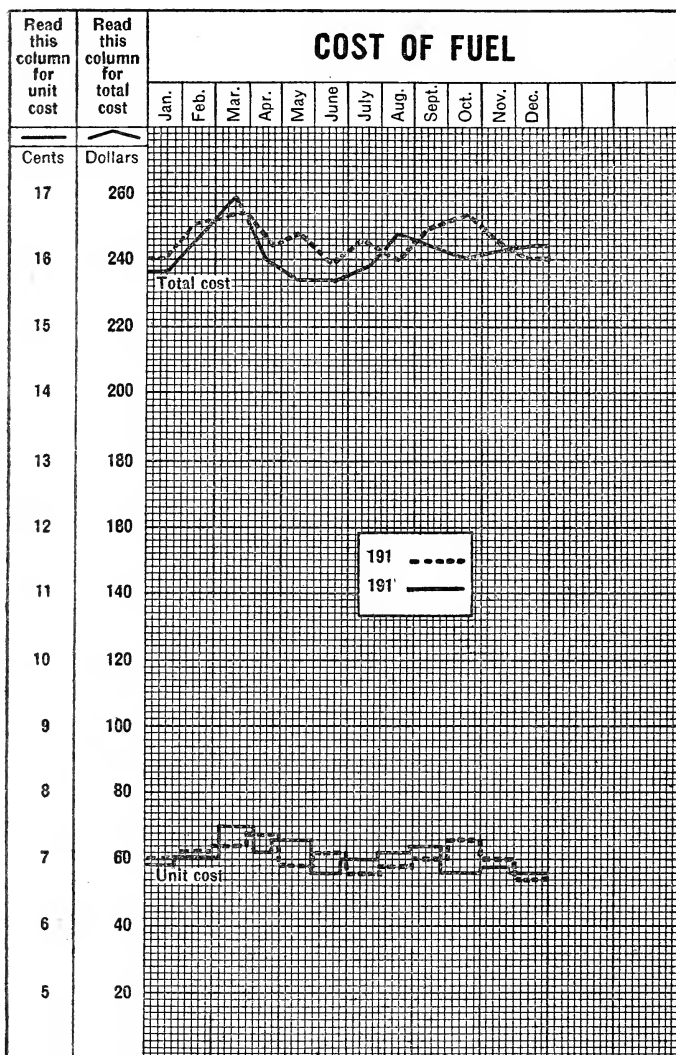


Figure 11: Here is a record used by one concern to control production costs. The division reproduced above shows the total cost of fuel for two consecutive years, and the lower one the unit cost. Similar divisions show all the other items that enter into production costs.

AGRICULTURAL IMPLEMENT INDUSTRY, continued

Product	Number Produced
Planters.....	366,448
Drills.....	142,547
Harvesting implements.....	1,059,763
Seed separators.....	85,321
Threshers.....	24,408

SLAUGHTERING AND MEAT PACKING INDUSTRY

	Number
Beeves.....	13,611,422
Calves.....	6,515,976
Sheep and lambs.....	14,724,699
Hogs.....	53,219,568
All others.....	287,150
Total for the United States.....	88,358,815

BUTTER, CHEESE, AND CONDENSED MILK INDUSTRY

	Pounds
Butter.....	624,764,653
Cheese.....	311,126,317
Condensed milk.....	494,796,544

SUGAR

	Tons
Cane (crushed).....	4,520,419
Grown on plantations controlled by mill-owners....	2,613,468
Purchased.....	1,906,951
Total.....	9,040,838
Beets treated.....	3,965,356

FLOUR AND GRIST MILL INDUSTRY

Material	Total Production
Wheat flour..... bbls.	107,108,461
Corn meal and corn flour..... bbls.	27,188,352
Rye..... bbls.	1,591,726
Buckwheat..... lbs.	200,959,917
Barley meal..... lbs.	33,649,182
Hominy and grits..... lbs.	837,333,466
Feed..... tons	6,001,357
Offal..... tons	4,175,173

GRAIN (Ground)

Material	Bushels
Wheat.....	503,468,556
Corn.....	244,547,967
Rye.....	13,374,095
Buckwheat.....	8,394,120
Barley.....	30,639,401
Oats.....	63,301,092
Other grains.....	9,225,512
Total.....	872,950,743

LUMBER INDUSTRY

Rough lumber:	Quantity
Total (M feet board measure).....	44,509,761
Softwoods.....	33,896,959
Yellow pine.....	16,277,185
Western pine.....	1,499,985
White pine.....	3,900,034
Douglas fir.....	4,856,378
Hemlock.....	3,051,399
Spruce.....	1,748,547
Cypress.....	955,635
Redwood.....	521,630
Cedar.....	346,008
All other.....	740,158
Hardwoods.....	10,612,802
Oak.....	4,414,457
Maple.....	1,106,604
Red gum.....	706,945
Chestnut.....	663,891
Birch.....	452,370
Basswood.....	399,151
Elm.....	347,456
Cottonwood.....	265,600
Ash.....	291,209
Hickory.....	333,929
Walnut.....	46,108
Sycamore.....	56,511
All other.....	1,528,571
Lath (thousands).....	3,703,195
Shingles (thousands).....	14,907,371

DYESTUFFS AND EXTRACTS

Product	Pounds
Artificial dyestuffs.....	12,267,399
Extracts:	
Hemlock.....	12,588,078
Logwood.....	22,317,248
Oak and chestnut.....	287,908,285
Sumac.....	3,148,790
Ground sumac.....	554,032
Ground bark.....	25,142,076
Ground and chipped wood.....	15,046,954
Gums and dextrines.....	16,148,931
Iron liquors.....	3,079,418
Mordants.....	1,735,887
Sizes.....	54,054,711
Tannic acid.....	5,085,748
Turkey-red oil.....	1,048,719
Chrome tannage solution.....	7,361,008
Other tanning liquors.....	2,464,040

PAINT AND VARNISH INDUSTRY

Product	Pounds
White lead.....	85,234,414
Oxides of lead.....	63,404,846
Lampblack.....	1,810,445
Iron oxides, and other earth colors.....	111,674,675
Other dry colors.....	162,409,565
Barytes.....	49,496,025
Pulp colors (sold moist).....	28,435,722
White lead in oil.....	246,567,570
Paste.....	162,356,330
Mixed for use.....	33,272,033
Oleoresinous varnishes.....	18,476,523
Dammar and similar turpentine and benzine varnishes.....	3,481,231
Spirit varnishes, other than turpentine.....	1,181,746
Pyroxylin varnishes.....	1,880,141
Dryers, japans, and lacquers.....	9,474,939
All other.....	4,238,097
Liquid fillers.....	1,159,569
Paste.....	14,050,329
Dry.....	50,983,472
Putty.....	63,502,048

Product, continued	Pounds
Water paints and calcimine (dry and paste)...	47,465,265
Mixed for use.....	522,283
Linseed oil.....	3,477,004
Bleached shellac.....	3,014,195
Total.....	1,167,668,467

PETROLEUM REFINING

Product	Barrels
Mid-continent (Kansas and Oklahoma).....	42,895,051
Illinois.....	26,236,883
Appalachian.....	24,508,218
California.....	13,481,885
Lima-Indiana.....	8,083,096
Gulf (Texas and Louisiana).....	5,262,664
Colorado.....	307,642
Crude petroleum, total.....	120,775,439

BOOT AND SHOE INDUSTRY

(Production of boots and shoes for leading states)

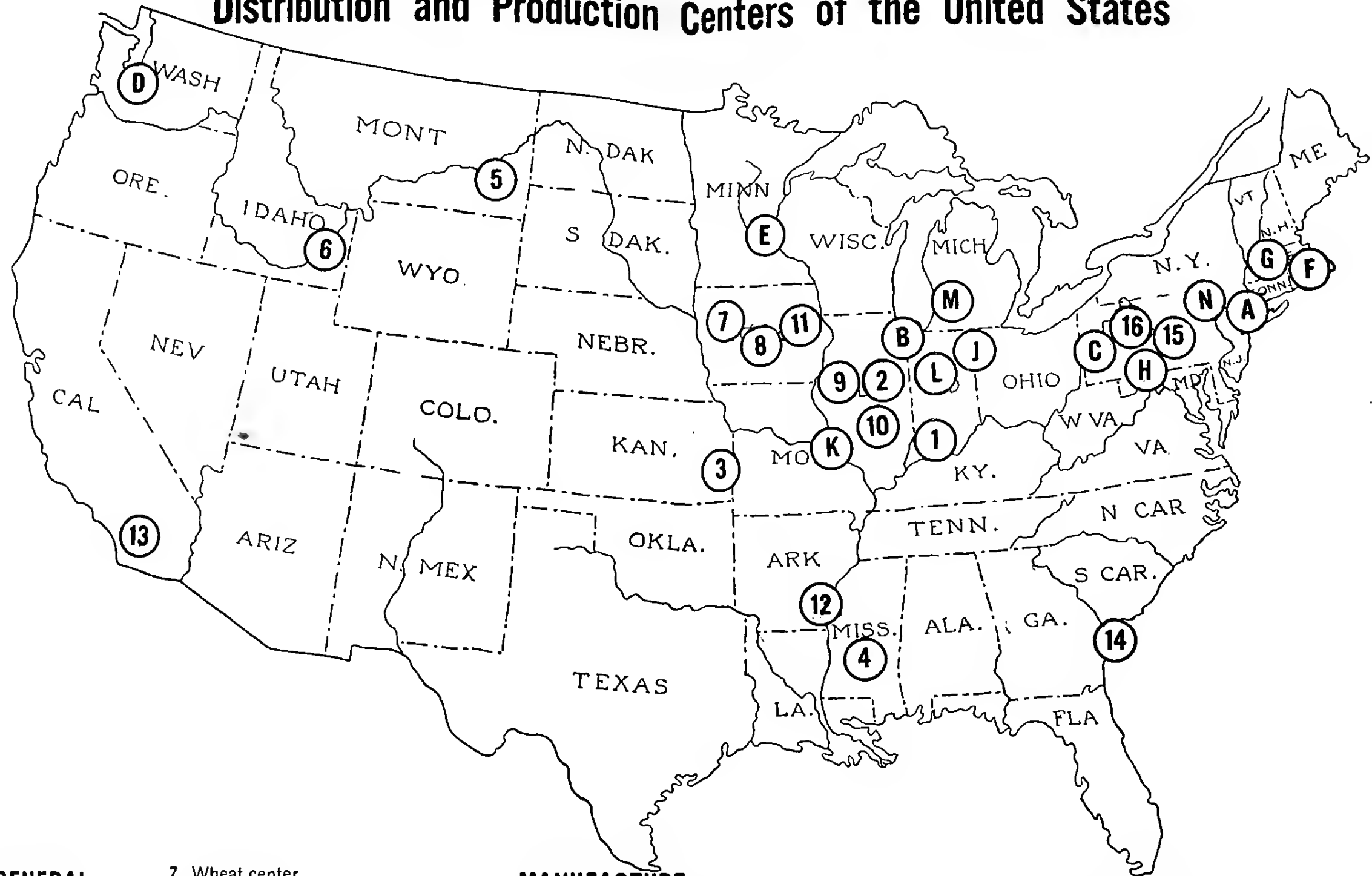
State	Number of pairs
Massachusetts.....	118,009,926
New York.....	28,538,451
Missouri.....	25,931,107
New Hampshire.....	25,534,114
Ohio.....	18,908,915
Pennsylvania.....	17,588,474
Maine.....	9,275,102
Illinois.....	8,295,805
Wisconsin.....	7,296,629
New Jersey.....	6,154,954
Virginia.....	4,255,236
Minnesota.....	3,195,530
Michigan.....	2,986,002
All other states.....	9,046,936
Total, United States.....	285,017,181

LEATHER INDUSTRY

Product	Number
Cattle hides.....	18,360,415
Skins.....	97,680,571

INSERT II

Distribution and Production Centers of the United States



GENERAL

1. Population center of the United States.
2. Farm center of the United States.
3. Lead and zinc center.
4. Cotton center.
5. Copper center.
6. Sheep and wool center.
7. Wheat center.
8. Cattle center.
9. Hog center.
10. Corn center.
11. Oat center.
12. Rice center.
13. Fruit center.
14. Naval stores.
15. Coal center.
16. Iron center.

MANUFACTURE

- A Printing and publishing; men's clothing; tobacco; bread and other bakery products; women's clothing—New York City.
- B Slaughtering and meat packing—Jobbing Center of the United States—Chicago.
- C Foundry and machine shop; iron and steel works and rolling mills; blast furnaces—Pittsburgh.
- D Lumber and timber—Washington State.
- E Flour—Minneapolis.

- F Cotton goods—Fall River; jewelry—Providence.
- G Boots and shoes; woollen, worsted and felt goods—Massachusetts.
- H Car shops—Berwick, Pa.
- J Manufacturing center of the United States.
- K Breweries—St. Louis.
- L Carriages and wagons—South Bend.
- M Furniture—Grand Rapids.
- N Silk—Paterson.

Insert II: The map reproduced here shows how the various leading industries and trades are localized in certain sections of the country. The 16 principal production centers in the United States are indicated by the

numerals 1, 2, 3, and so on; and the 13 principal production and distribution centers are designated alphabetically. The key given below the map explains just which industry is the leading one in the various dis-

tricts. Information of this nature is not merely interesting to know, but it can be made of valuable and direct assistance to manufacturers and wholesalers in locating the most profitable markets for their various products.



Product, continued	Number
Calf and kid.....	19,732,638
Goat.....dozens	4,006,472
Sheep.....dozens	2,173,505
All other.....	3,788,209
Rough leather purchased:	
Whole sides.....	1,468,213
Grains, sides.....	525,786

AUTOMOBILE INDUSTRY

Class and State	Number
All classes.....	126,593
Pleasure and family vehicles.....	121,868
Touring cars.....	76,114
Connecticut.....	2,165
Illinois.....	2,059
Indiana.....	6,838
Massachusetts.....	2,063
Michigan.....	43,855
New York.....	5,440
Ohio.....	6,479
Runabouts.....	36,204
Connecticut.....	393
Illinois.....	433
Indiana.....	8,139
Massachusetts.....	983
Michigan.....	18,173
New York.....	1,097
Ohio.....	2,900
All other varieties.....	9,550
Illinois.....	470
Indiana.....	2,104
Michigan.....	1,855
New York.....	507
Ohio.....	4,114
Pennsylvania.....	67
Business vehicles.....	4,725
Delivery wagons.....	1,862
Illinois.....	447
Indiana.....	107
Michigan.....	401
New York.....	139

Class and State, continued	Number
Ohio.....	469
Pennsylvania.....	242
Trucks.....	1,366
Illinois.....	28
Indiana.....	43
Michigan.....	372
New York.....	475
Ohio.....	202
All other varieties.....	1,497
Connecticut.....	119
Indiana.....	22
Massachusetts.....	280
Michigan.....	144
New York.....	406
Ohio.....	135
Pennsylvania.....	127

PAPER AND WOOD PULP INDUSTRY

Material	Tons
Newspaper.....	606,342
Book paper.....	293,523
Cardboard.....	22,955
Fine paper.....	85,506
Wrapping paper.....	174,104
Boards.....	83,591
Tissues.....	49,339
Blotting.....	5,226
Building.....	128,909
Hanging papers.....	37,828
Total.....	1,487,323
Wood pulp, purchased.....	1,241,914
Ground.....	452,849
Soda fiber.....	154,626
Sulphite fiber.....	626,029
Other chemical fiber.....	8,410
Rags, including cotton and flax waste and sweeping	357,470
Old or waste paper.....	983,882
Manila stock, including jute bagging, rope, waste, threads, and so on.....	117,080
Straw.....	303,137

TOTAL NUMBER OF MANUFACTURERS IN ALL
LINES IN EACH STATE

States	Manufacturers
New York.....	19,070
Pennsylvania.....	18,639
Ohio.....	10,555
Illinois.....	9,144
Massachusetts.....	7,845
New Jersey.....	5,781
Indiana.....	5,661
Michigan.....	5,516
Missouri.....	4,829
Wisconsin.....	4,242
California.....	3,553
Connecticut.....	3,022
Minnesota.....	2,919
Iowa.....	2,466
Maryland.....	2,332
Kentucky.....	2,080
Texas.....	2,061
Tennessee.....	1,942
Virginia.....	1,867
North Carolina.....	1,859
Georgia.....	1,842
Louisiana.....	1,830
Maine.....	1,560
Kansas.....	1,501
Rhode Island.....	1,428
Oklahoma.....	1,411
Washington.....	1,271
Nebraska.....	1,267
New Hampshire.....	1,238
Colorado.....	1,129
Arkansas.....	1,018
Vermont.....	916
West Virginia.....	911
Oregon.....	848
South Carolina.....	845
Mississippi.....	833
Alabama.....	702
Florida.....	701
South Dakota.....	526
North Dakota.....	511

TOTAL NUMBER OF MANUFACTURERS IN ALL
LINES IN EACH STATE, continued

States	Manufacturers
Delaware.....	492
District of Columbia.....	292
Utah.....	272
Idaho.....	244
Montana.....	228
Nevada.....	61
New Mexico.....	59
Arizona.....	55
Wyoming.....	37
Total.....	139,411

To find the number of people in the country in proportion to your factory—that is, the average number of persons your factory serves—look under the “per capita ratio” column opposite the industry in which you are engaged. For example, the average boot and shoe factory serves 72,325 people. This figure, together with the others listed in the following table, are based on an estimated total population in the United States of 98,000,000.

PART II

COMPARATIVE DATA AND FIGURES FROM WHOLE- SALE LINES

PART II

COMPARATIVE DATA AND FIGURES FROM WHOLESALE LINES

THOROUGH knowledge of what it costs wholesalers to do business cannot come in amiss for any distributor. You will find much of interest in the tables in the following pages, covering most of the lines of business in which wholesalers are necessary to most effective distribution.

Some sets of figures, obtained from various sources, are of general interest to business men who are on the lookout for larger business tendencies and developments. Others of the tables bring to light facts pertaining more especially to certain lines of business. Both kinds are important, you will agree, to effective planning for the future. Today, more than ever before, sellers of goods are looking ahead. The correct solution of present-day problems is just as vital as before; but so great and so far-reaching are the changes of tomorrow likely to be, that it is an imperative task of sales management as far as possible to gage and anticipate future business conditions.

As a fact, it is vital that every wholesaler know not only what his selling possibilities are, but what his costs in every detail ought to be. Progressive men are looking into this question of costs in the light of future conditions. But first, they necessarily have their "house in order." They know to a certainty what it is costing them to get business in their entire selling field, what they are paying to pack, ship, and distribute goods to cover present sales.

The international scope business is reaching today calls for an analysis of wholesaling such as has never before been attempted. What are your expenses? What are they in proportion to your sales? Percentages of this sort are important. They point the way to business success or failure. In these pages are figures and percentages of this type for various lines of trade. A glance through the pages should tend to crystallize for wholesalers much extremely valuable cost and selling information.

For instance, if you want to know how much concerns are paying for rent in proportion to sales, you'll find the figures here. In fact, wherever business men are faced with present-day problems in selling, these figures will help in the solution.

WHOLESALE DATA AND FIGURES

Did you ever wonder how many wholesalers there are in the United States? These figures will give you some idea as to the number and show in what lines they are engaged, too. Produce takes the lead with 7,785. The smallest number of dealers listed are the sponge wholesalers, who number but 37. In checking up on these figures it will be interesting as well as helpful to compare them with similar tabulations given in the manufacturing and the retail sections of this volume.

WHOLESALE DEALERS IN THE UNITED STATES

(From R. G. Dun and Company's list as compiled
by the Rapid Addressing Machine Company)

Line	Number
Agricultural implements.....	240
Bakers.....	620
Boots and shoes.....	522
Butchers and meat markets.....	781
Butter and eggs.....	1,194
Carpets.....	83
Cheese.....	263
China, crockery, and glassware.....	340
Cigars and tobacco.....	1,991
Clothing.....	160
Coffee, tea, and spices.....	547
Drugs.....	668
Dry goods.....	725
Electrical supplies.....	424
Fancy goods and notions (exclusive).....	786
Feed, flour, and grain.....	1,572
Fish.....	950
Florists.....	1,765
Fruit.....	1,831
Furniture.....	307
Glass, oils, and paint.....	605

Line, continued	Number
Gloves	63
Grain.....	1,210
Grocers.....	3,840
Hardware.....	928
Harness and saddlery.....	314
Hats and caps.....	201
Honey.....	113
Hosiery.....	1,105
Jewelers.....	815
Junk.....	189
Men's furnishings (exclusive).....	315
Milliners.....	424
Neckwear.....	315
Notions and toys.....	802
Paper.....	905
Produce.....	7,785
Seed.....	597
Sponges.....	37
Sporting goods.....	423
Stationery.....	391
Tobacco (leaf).....	592
Wall paper.....	284
Willow and woodenware.....	131

RECAPITULATION OF WHOLESALE TRADE

	Towns below 1,000	1,000 to 2,499	2,500 to 24,999	Over 25,000	Total
Wholesale grocers..	107	250	1,369	1,261	2,987
Wholesale dry goods	1	14	136	526	677
Wholesale hardware	0	4	149	401	554
Wholesale drugs...	6	16	189	432	643
Wholesale jewelry..	4	10	63	751	828
Wholesale fancy goods and notions	5	3	37	362	407
Wholesale boots and shoes.....	0	4	76	501	581
Wholesale toys	0	0	15	392	407
Total	123	301	2,034	4,626	7,084

Daily Sales Report of				Use other side for remarks	
S. M. Hunter		Number 208	Day 10	Date May 191	
Towns Visited	Dealers Called Upon	For Immediate shipment	For future shipment	If No Sale State Reason Why On Space Below	
Detroit, Mich.	Adams & Co.	\$720	\$480		
Lansing, Mich.	P. G. Lovett	\$500	\$200		
Battle Creek, Mich.	Tyson & Meale	\$200	\$400		
			Total Sales for the Day \$ 2500.		
Enter the estimate of your orders in columns headed "Immediate" and "Future Shipment"					

Daily Expense Report of				Mail every day from town where you sleep											
S. M. Hunter				Number 208	Day 10	Date May 191									
Miles Traveled	Towns visited in order named	Breakfast	Dinner	Supper	Lodging	Mileage paid	Cash fare paid	Paid on excess	Drayage	Bus	Team	Telegraph or Telephone	Stamps	TOTAL	
20	Detroit	.75				.60				25		1.60	.25	3	45
50	Lansing		1.25			1.50								2	75
40	Battle Creek			1.00	3.00	1.20				25				5	45
Samples Carried		Number of pieces		Weight		Itemized Sundries		Meals on train							
Cutlery 15		21		18 lbs				Sleeper							
Guns 2								Street car fare							
Sporting goods 4															
Tackle															
Other lines none						Day's total expense						11 60			

Figure 12: An accurate daily comparison of sales with expense for each salesman is made possible in one wholesale house by the use of this double card form (the halves can be torn apart). Almost any concern employing salesmen can use this form or an adaptation of it.

LOCATION OF WHOLESALE TRADE

States	Grocers	Hardware	Jewelers	Dry goods	Drugs	Fancy goods and notions	Toys	Boots and shoes
Connecticut.....	43	11	5	9	10	2	8	4
Maine.....	29	8	2	7	8	1	7	8
Massachusetts.....	76	30	48	60	22	7	23	87
New Hampshire.....	16	3	0	1	0	0	0	0
Rhode Island.....	12	5	13	6	4	3	4	2
Vermont.....	8	3	1	1	2	0	0	2
New Jersey.....	49	3	4	9	11	12	7	0
New York.....	196	38	223	112	112	70	77	68
Ohio.....	123	27	67	51	37	44	33	23
Pennsylvania.....	173	49	77	90	63	52	29	64
Alabama.....	89	16	3	17	10	6	4	9
Delaware.....	10	2	1	1	1	0	1	1
Florida.....	76	6	15	6	6	2	1	1
Georgia.....	190	15	5	35	21	4	6	19
Kentucky.....	85	9	2	9	15	8	9	5
District of Columbia....	11	2	4	2	4	3	0	2
Maryland.....	43	12	21	22	18	25	14	24
Mississippi.....	70	7	2	16	9	0	0	5
North Carolina.....	205	10	0	16	24	5	1	12
South Carolina.....	73	5	3	7	9	2	1	0
Tennessee.....	93	22	6	25	19	14	19	25
Virginia.....	126	30	2	15	14	10	6	24
West Virginia.....	64	15	2	12	12	5	3	8
Illinois.....	112	14	86	27	29	21	36	33
Indiana.....	75	12	13	15	19	9	14	6
Iowa.....	44	23	20	0	20	7	7	14
Michigan.....	71	16	20	28	16	13	11	10
Minnesota.....	37	12	23	0	3	13	6	13
Nebraska.....	24	8	22	0	6	2	4	2
North Dakota.....	16	0	0	0	1	0	0	0
South Dakota.....	12	3	2	0	2	0	0	0
Wisconsin.....	35	9	14	0	17	6	5	31
Arizona.....	14	3	0	1	1	0	1	0
Arkansas.....	88	6	1	10	12	0	0	2
Colorado.....	19	3	11	0	9	6	6	2
Kansas.....	43	9	6	0	5	2	2	3

LOCATION OF WHOLESALE TRADE, Continued

States	Grocers	Hardware	Jewelers	Dry goods	Drugs	Fancy goods and notions	Toys	Boots and shoes
Louisiana.....	71	8	8	18	11	8	0	9
Missouri.....	82	18	43	0	14	10	13	25
New Mexico.....	13	1	0	0	0	0	4	0
Oklahoma.....	62	8	3	4	2	1	3	2
Texas.....	198	30	7	33	20	4	14	8
California.....	53	23	26	0	7	23	15	17
Idaho.....	6	3	0	0	0	0	1	0
Montana.....	11	6	0	1	7	0	1	2
Nevada.....	4	1	0	0	0	0	0	0
Oregon.....	0	7	4	1	4	2	2	2
Utah.....	10	4	2	7	5	1	3	4
Washington.....	20	9	11	3	2	4	6	3
Wyoming.....	7	0	0	0	0	0	0	0

Indicated typical and attainable cost-of-doing-business figures for wholesalers are presented in the following tables. The total figures shown here indicate apparently that wholesale hardware concerns have the highest cost of doing business and that it costs wholesale grocers less than the other lines studied. It was apparent early in the nation-wide investigation among wholesalers conducted during the preparation of this book that the volume of sales had a direct influence on the cost of doing business. For this reason the concerns were classified according to whether their sales were \$1,000,000 or more, or from \$500,000 to \$1,000,000, or less than \$500,000. It was also found that sectional influences affected costs. Firms doing business in the West and along the Atlantic seaboard were found to have higher costs than those in the Middle West. The western concerns' costs were from 1.5% to 2% higher, while many eastern concerns reported costs about 1% higher than the average for the Middle West. Wholesalers in the South, it was found, usually had a somewhat lower cost of doing business.

COSTS OF DOING BUSINESS FOR WHOLESALERS

(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	10.3%	8.8%
Clothing.....	17.8%	15.6%
Hardware.....	23.5%	18.8%
Electrical goods.....	18.1%	15.7%
Shoes.....	15.8%	11.9%
Drugs.....	14.6%	12.4%
Dry goods.....	12.8%	10.6%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	9.0%	7.5%
Clothing.....	16.1%	12.8%
Hardware.....	19.2%	16.7%
Electrical goods.....	18.1%	15.7%
Dry goods.....	12.8%	10.6%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	7.2%	6.3%
Hardware.....	17.8%	14.9%
Electrical goods.....	17.0%	13.3%

Itemized costs of doing business in the following tables are indicative, but are not advanced as final. "Selling expense" includes all salesmen's salaries, traveling expenses, and commissions. "Administrative salaries and wages" includes all other expenses for salaries and wages. Under "office expense" are grouped expenses for stationery, postage, printing, and supplies. Cost on interest, depreciation, and repairs are included under "general expense." All figures

refer to total gross sales. It may appear to many that the wholesaler's distribution task is far simpler than the manufacturer's, and no doubt it is in many instances. It is worth remembering, however, that many trade barriers, long thought insurmountable, are rapidly being broken down. The wholesale hardware man is nothing loath to sell to grocers if he has stock they want, and so it is with other lines. Each year, it seems, a wholesaler finds certain limitations abolished which formerly were arbitrarily set upon his selling activities.

WHOLESALE SHOE COSTS

(Annual sales more than \$1,000,000)

Here are the itemized costs of doing business for shoe wholesalers throughout the United States, as indicated by investigation. Note that warehouse, freight, and packing expense are extremely heavy in this line, due, perhaps to the fact that shoes are bulky and usually each pair requires a separate box in packing.

1. Selling expense	4.9%
2. Administrative salaries and wages	3.2%
3. Rent	0.6%
4. Light, heat, and power	0.2%
5. Warehouse, freight, and packing	1.1%
6. Insurance and taxes	0.6%
7. Official expense	0.5%
8. Bad accounts	1.6%
9. Advertising	0.4%
10. General expense	2.7%
Total costs	<u>15.8%</u>

A TYPICAL SHOE HOUSE

(Annual sales \$1,450,700)

Expressed in dollars and cents the table which appears on the following page gives the total cost of doing business for an average wholesale shoe house with sales over the million mark. Note again the high warehouse, freight, and packing expense. Loss from bad accounts also is indicated to be a heavy item of expense in this line.

1. Selling expense.....	\$ 65,281.50 or	4.5%
2. Administrative salaries and wages	37,717.50 or	2.6%
3. Rent.....	5,802.80 or	0.4%
4. Light, heat, and power.....	1,405.00 or	0.1%
5. Warehouse, freight, and packing.	17,402.40 or	1.2%
6. Insurance and taxes.....	5,802.80 or	0.4%
7. Office expense.....	5,802.80 or	0.4%
8. Bad accounts.....	26,107.00 or	1.8%
9. Advertising.....	5,802.80 or	0.4%
10. General expense.....	37,717.50 or	2.6%
Total costs.....	\$208,842.10 or	14.4%

This table, prepared by the Harvard Bureau of Business Research, should prove valuable in analyzing the wholesale grocer's cost of doing business. Low, high, and common standards of costs are given, and a glance will show the wholesaler how he stands in comparison with the average.

WHOLESALE GROCERY COSTS

(Percentages based on net sales)

Items	Low	High	Common
Gross profit.....	7.70%	17.20%	12.00%
Total sales force expense..	0.93%	4.30%	2.30%
Advertising.....	0.00%	1.19%	0.07%
Other selling expense.....	0.01%	0.45%	0.06%
Total selling expense.....	1.20%	4.53%	2.50%
Salaries and wages of receiving, warehouse, and shipping force.....	0.43%	2.00%	1.15%
Packing cases and wrappings.....	0.01%	0.73%	0.04%
Outward freight, express, parcel-postage, and cartage.....	0.01%	2.10%	0.40%
Total receiving, handling, and shipping expense....	0.80%	3.22%	1.60%
Salaries of buying force....	0.05%	1.05%	0.35%
Other buying expense.....	0.02%	0.26%	0.03%
Total buying expense.....	0.05%	1.05%	0.40%
Executive salaries.....	0.16%	1.21%	0.50%
Office salaries.....	0.19%	1.54%	0.70%
Postage and office supplies	0.05%	0.48%	0.23%

Items, continued	Low	High	Common
Telephone and telegraph...	0.01%	0.25%	0.05%
Credits and collections....	0.01%	0.57%	0.06%
Other management expense	0.02%	0.42%	0.10%
Total general management and office expense.....	1.15%	3.15%	1.65%
Total interest.....	0.40%	3.03%	1.50%
Rent.....	0.17%	1.05%	0.40%
Heat, light, and power...	0.01%	0.2%	0.05%
Taxes.....	0.02%	0.75%	0.20%
Insurance (except on build- ings).....	0.03%	0.58%	0.11%
Repairs of equipment....	0.01%	0.49%	0.05%
Depreciation of equipment	0.001%	0.5%	0.10%
Total fixed charges and up- keep expense.....	1.31%	4.62%	2.50%
Miscellaneous expense....	0.01%	0.92%	0.11%
Losses from bad debts....	0.002%	1.66%	0.30%
Total expense.....	6.70%	13.74%	9.50%
Net profit.....	1.13%	7.01%	2.40%
Stock turn.....	2.80%	11.60%	5.70%

WHOLESALE GROCERY COSTS

(Annual sales \$500,000 to \$1,000,000)

Analyses by the Shaw Bureau of Business Standards of the expenses of wholesale grocers scattered from coast to coast indicated these average costs of doing business. While these costs appear low when compared with those in some other of wholesale lines, investigation indicated that they, also, are steadily climbing.

1. Selling expense.....	2.2%
2. Administrative salaries and wages.....	2.2%
3. Rent.....	0.6%
4. Light, heat, and power.....	0.2%
5. Warehouse, freight, and packing.....	0.5%
6. Insurance and taxes.....	0.5%
7. Office expense.....	0.3%
8. Bad accounts.....	0.5%
9. Advertising.....	0.4%
10. General expense.....	1.6%
Total costs.....	9.0%

THE COST OF DOING BUSINESS OF A TYPICAL GROCERY HOUSE

(Annual sales \$500,000)

Here, in this table of costs for one typical wholesale grocery house, you will note expenses run close to the indicated average. "General expense" which includes depreciation, repairs, and interest, apparently is an item which will stand considerable cutting in many houses.

1. Selling expense.....	\$ 6,500.00	or 1.3%
2. Administrative salaries and wages	12,500.00	or 2.5%
3. Rent.....	5,500.00	or 1.1%
4. Light, heat, and power.....	1,000.00	or 0.2%
5. Warehouse, freight, and packing..	2,000.00	or 0.4%
6. Insurance and taxes.....	3,000.00	or 0.6%
7. Office expense.....	1,500.00	or 0.3%
8. Bad accounts.....	2,500.00	or 0.5%
9. Advertising.....	2,500.00	or 0.5%
10. General expense.....	7,000.00	or 1.4%
Total costs.....	\$44,000.00	or 8.8%

WHOLESALE CLOTHING COSTS

(Annual sales \$500,000 to \$1,000,000)

This table shows average costs for clothing wholesalers as indicated by investigation. Note that rent is a heavy item. This, perhaps, is heavy because many clothing wholesalers are manufacturers as well, and need larger quarters than if engaged in wholesaling alone. Advertising expense, also, apparently is a heavy item.

1. Selling expense.....	5.5%
2. Administrative salaries and wages.....	3.5%
3. Rent.....	1.4%
4. Light, heat, and power.....	0.3%
5. Warehouse, freight, and packing.....	0.4%
6. Insurance and taxes.....	0.4%
7. Office expense.....	0.5%
8. Bad accounts.....	1.0%
9. Advertising.....	2.0%
10. General expense.....	1.1%
Total costs.....	16.1%

INDICATED TYPICAL COST OF DOING BUSINESS IN SEVEN WHOLESALE LINES

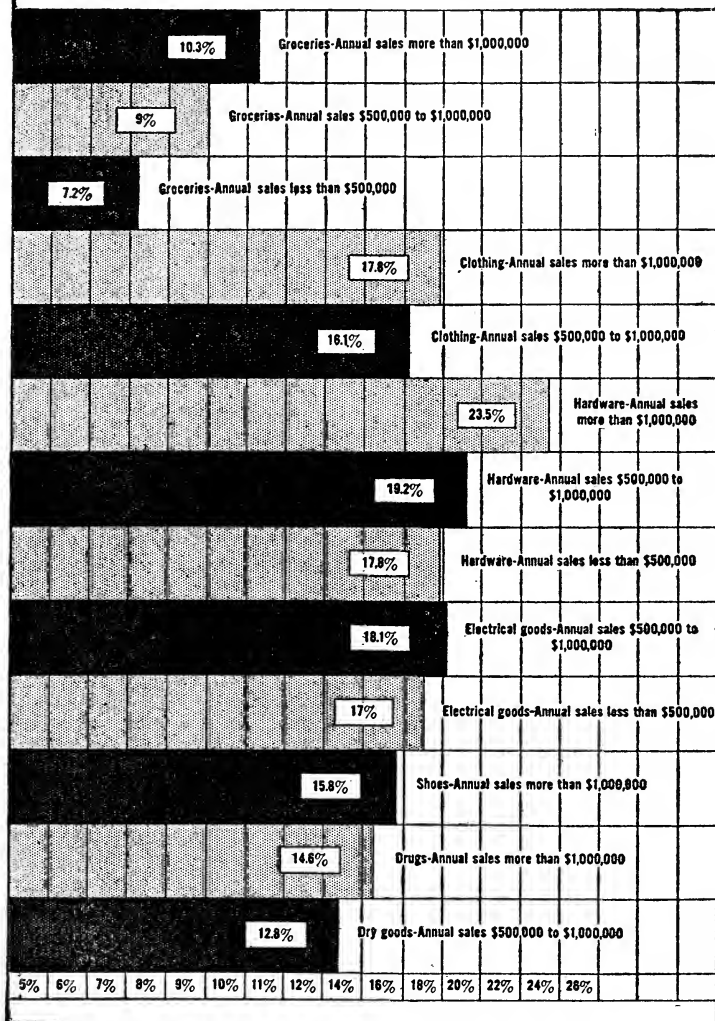


Figure 13: Indicated typical total cost percentages from seven wholesale lines for various size concerns are shown here in graphic form. The grocery, hardware, and clothing columns indicate, as you will note, how costs of doing business increase as a business increases in size.

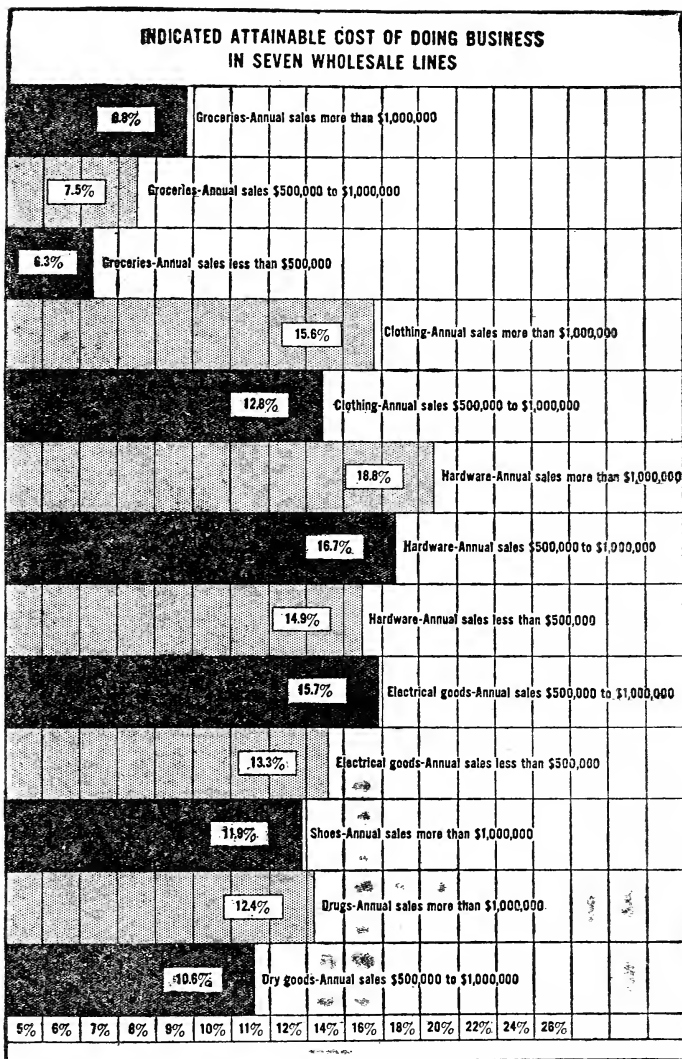


Figure 14: These columns are the indicated attainable total cost percentages in seven wholesale lines, also given in graphic form. Comparison of this chart with that shown in Figure 13, brings out clearly what reduction of expense reasonably may be expected in these lines.

A TYPICAL CLOTHING CONCERN'S COST OF DOING BUSINESS

(Annual sales \$837,500)

In a typical wholesale clothing house with annual sales of \$837,500, the cost of doing business is about as shown in this table. Clothing houses usually are comparatively heavy advertisers, as you will note. Advertising, however, apparently has a tendency to reduce selling expense in most lines, investigation indicates.

1. Selling expense.....	\$ 46,899.50 or	5.6%
2. Administrative salaries and wages	28,373.00 or	3.4%
3. Rent.....	13,399.50 or	1.6%
4. Light, heat, and power.....	1,674.00 or	0.2%
5. Warehouse, freight, and packing.	837.00 or	0.1%
6. Insurance and taxes.....	3,348.00 or	0.4%
7. Office expense.....	4,187.50 or	0.5%
8. Bad accounts.....	13,399.50 or	1.6%
9. Advertising.....	20,937.50 or	2.5%
10. General expense.....	7,538.00 or	0.9%
Total costs.....	\$140,593.50 or	16.8%

AVERAGE OPERATING COSTS OF WHOLESALE DRUG CONCERNS

(Annual sales more than \$1,000,000)

Rent apparently is an extremely heavy item with drug wholesalers throughout the country, investigation indicates. Note also that depreciation apparently is high, as also is interest on the investment, both of which are included under general expense.

1. Selling expense.....	4.1%
2. Administrative salaries and wages.....	3.8%
3. Rent.....	2.0%
4. Light, heat, and power.....	0.1%
5. Warehouse, freight, and packing.....	0.7%
6. Insurance and taxes.....	0.4%
7. Office expense.....	0.3%
8. Bad accounts.....	0.6%
9. Advertising.....	0.4%
10. General expense.....	2.2%
Total costs.....	14.6%

A TYPICAL DRUG HOUSE

(Annual sales \$1,625,500)

Itemized here are the expenses in dollars and cents, as well as in percentages, of an average wholesale drug house. While there is some deviation from the itemized average costs of this line for the entire country as given in the preceding table, it will be noted that the total percentages are fairly consistent.

1. Selling expense.....	\$ 99,155.50 or	6.1%
2. Administrative salaries and wages	58,518.00 or	3.6%
3. Rent.....	13,004.00 or	0.8%
4. Light, heat, and power.....	1,625.50 or	0.1%
5. Warehouse, freight, and packing.	6,502.00 or	0.4%
6. Insurance and taxes.....	9,753.00 or	0.6%
7. Office expense.....	6,502.00 or	0.4%
8. Bad accounts.....	13,004.00 or	0.8%
9. Advertising.....	9,753.00 or	0.6%
10. General expense.....	16,255.00 or	1.0%
Total costs.....	\$234,072.00 or	14.4%

WHOLESALE HARDWARE COSTS

(Annual sales \$500,000 to \$1,000,000)

Indicated average costs for hardware wholesalers gathered during the country-wide investigation involved in the preparation of this book are given below. Note (1) that salaries and wages are higher than those in many other lines; (2) that general expense—depreciation, repairs, and interest—is extremely heavy.

1. Selling expense.....	5.9%
2. Administrative salaries and wages.....	6.2%
3. Rent.....	1.2%
4. Light, heat, and power.....	0.2%
5. Warehouse, freight, and packing.....	0.7%
6. Insurance and taxes.....	0.7%
7. Office expense.....	0.7%
8. Bad accounts.....	0.8%
9. Advertising.....	0.3%
10. General expense.....	2.5%
Total costs.....	19.2%

OPERATING COSTS OF A TYPICAL HARDWARE HOUSE

(Annual sales \$650,000)

The costs in a typical wholesale hardware house with gross sales of \$650,000 annually will probably adhere quite closely to the figures given in this table. Stock turnovers in hardware are not many, investigation indicates, and a comparatively small stock may represent a large amount of capital invested.

1.	Selling expense.....	\$ 20,150.00	or	3.1%
2.	Administrative salaries and wages	33,800.00	or	5.2%
3.	Rent.....	9,750.00	or	1.5%
4.	Light, heat, and power.....	650.00	or	0.1%
5.	Warehouse, freight, and packing.	5,850.00	or	0.9%
6.	Insurance and taxes.....	3,900.00	or	0.6%
7.	Office expense.....	4,550.00	or	0.7%
8.	Bad accounts.....	12,350.00	or	1.9%
9.	Advertising.....	2,600.00	or	0.4%
10.	General expense.....	24,700.00	or	3.8%
	Total costs.....	\$118,300.00	or	18.2%

WHOLESALE ELECTRICAL GOODS COSTS

(Annual sales \$500,000)

Below are given the average indicated costs of doing business in electrical goods at wholesale, as learned by investigation. Note (1) that warehouse, freight and packing expenses are high; and (2) that administrative salaries and wages also are heavy.

1.	Selling expense.....	5.2%
2.	Administrative salaries and wages.....	5.9%
3.	Rent.....	0.9%
4.	Light, heat, and power.....	0.1%
5.	Warehouse, freight, and packing.....	1.1%
6.	Insurance and taxes.....	0.6%
7.	Office expense.....	0.5%
8.	Bad accounts.....	1.5%
9.	Advertising.....	1.5%
10.	General expense.....	0.8%
	Total costs.....	18.1%

A TYPICAL ELECTRICAL GOODS HOUSE

(Annual sales \$632,000)

Here are costs of doing business for a typical electrical goods wholesaler. Note that the selling expense ran considerably higher than the indicated average for the entire country. However, warehouse, freight, and packing costs are unusually low and the loss from bad accounts is comparatively small.

1. Selling expense.....	\$ 39,816.00 or	6.3%
2. Administrative salaries and wages	27,176.00 or	4.3%
3. Rent.....	6,320.00 or	1.0%
4. Light, heat and power.....	632.00 or	0.1%
5. Warehouse, freight, and packing.	3,160.00 or	0.5%
6. Insurance and taxes.....	2,528.00 or	0.4%
7. Office expense.....	9,480.00 or	1.5%
8. Bad accounts.....	5,056.00 or	0.8%
9. Advertising.....	9,480.00 or	1.5%
10. General expense.....	11,376.00 or	1.8%
Total costs.....	\$115,024.00 or	18.2%

OPERATING COSTS OF WHOLESALE
DRY GOODS CONCERNS

(Annual sales \$500,000 to \$1,000,000)

These percentages are indicated to be the average costs for dry goods houses from all parts of the country. In the extreme East and West costs apparently were higher than in the Middle West. Note (1) the high charge for selling expense; (2) the high advertising costs.

1. Selling expense.....	4.9%
2. Administrative salaries and wages.....	1.7%
3. Rent.....	1.0%
4. Light, heat, and power.....	0.4%
5. Warehouse, freight, and packing.....	0.4%
6. Insurance and taxes.....	0.5%
7. Office expense.....	0.3%
8. Bad accounts.....	0.5%
9. Advertising.....	1.5%
10. General expense.....	1.6%
Total costs.....	12.8%

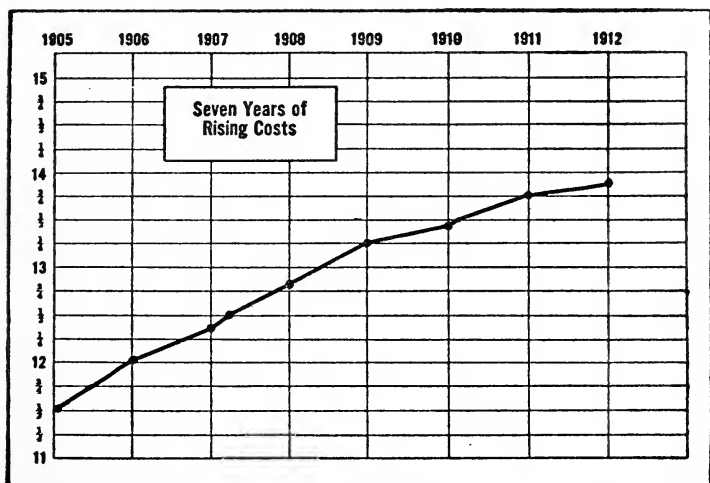


Figure 15: This graph represents cost-of-doing-business figures averaged from the books of scores of wholesale concerns located mainly in the Middle West. Excessively low and high figures were not considered.

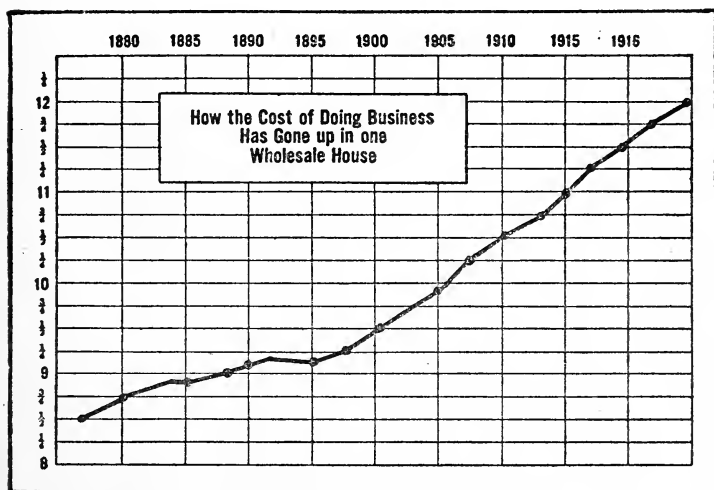


Figure 16: The concern whose cost-of-doing-business figures are charted here is one of the oldest in the country. Its costs offer a striking example of the steady rise in the operating costs of a business.

A TYPICAL DRY GOODS HOUSE

(Annual sales \$625,000)

This house is located in the Middle West. Expense for rent is unusually high as the company maintains a well-equipped building in a large city. Selling expense has been held well below average, as you will note, because of a comparatively narrow field of distribution.

1. Selling expense.....	\$22,525.20 or	3.6%
2. Administrative salaries and wages	8,759.80 or	1.4%
3. Rent.....	15,692.50 or	2.5%
4. Light, heat, and power.....	1,877.10 or	0.3%
5. Warehouse, freight, and packing..	3,754.20 or	0.6%
6. Insurance and taxes.....	3,128.50 or	0.5%
7. Office expense.....	3,754.20 or	0.6%
8. Bad accounts.....	625.70 or	0.1%
9. Advertising.....	6,257.00 or	1.0%
10. General expense.....	10,011.20 or	1.6%
Total costs.....	\$76,385.40 or	12.2%

TOTAL COSTS OF DOING BUSINESS BY LINES

Approximate total costs of doing business for four lines are given here. Individual wholesale houses may find their costs varying considerably from these figures, as the class of goods handled within each line, the location, and the extent of the territory covered have a decided influence on the cost of doing business in each instance.

Line	Cost of doing business
Jewelry.....	18.2%
Millinery.....	19% to 25%
Glassware.....	25% to 28%
Lace.....	18% to 28%

Investigation brought out sharply the fact that the methods employed in the different wholesale lines vitally influence the sales expense. In some wholesale shoe houses, for example, salesmen are largely used to sell direct to the trade. Those houses, it was found, often supplemented the efforts of the sales force with a great deal of direct advertising. The

personal sales expense in houses of this kind often runs over 6%. On the other hand, the wholesaler who manufactures part of his product and sells directly to exclusive agencies or to jobbers frequently is able to shift considerable of the personal selling expense. Development of the syndicated lines among the wholesale druggists has served in various sections to narrow the territory and consequently to reduce the selling costs. In the large dry-goods houses, selling costs varied widely, owing to the number of textile lines handled by the individual houses. Many of these were manufacturers also. Selling expense in wholesale grocery houses is indicated to be much higher in the houses whose sales run between \$500,000 and \$1,000,000, probably because of the wider territory covered and the growing tendency of the large houses to engage in extensive advertising campaigns to promote their private brands. Selling expense in houses whose sales run under \$500,000 is indicated to run much lower, for, as investigation showed, this type of wholesaler usually confines his sales almost entirely to neighborhood limits.

SELLING COSTS

(Annual sales over \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	3.1%	2.5%
Clothing.....	6.0%	5.2%
Hardware.....	6.4%	4.0%
Shoes.....	4.9%	4.0%
Drugs.....	4.1%	3.5%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	2.2%	1.8%
Clothing.....	5.5%	4.5%
Hardware.....	5.9%	3.6%
Electrical goods.....	5.2%	3.9%
Dry goods.....	4.9%	4.5%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	1.7%	1.4%
Hardware.....	4.2%	3.8%
Electrical goods.....	4.6%	4.0%

Hundreds of the smaller wholesalers, especially those whose field of distribution is distinctly local, investigation indicates, did not recognize advertising as a specific expense, and the cost of calendars, memorandum books, and other souvenirs issued by them often was carried in the general expense. Some wholesale grocers spend as high as 0.75% of their net sales annually for advertising. They cover a wide territory and distribute their own brands of package and canned goods. On the other hand, grocers whose business is confined to narrower sections sometimes put out only a few private brands, and their advertising expense, investigation revealed, seldom exceeds 0.25% of their net sales. Typical percentages given are averages of the most carefully compiled cost figures given to the Bureau of Business Standards of the Shaw publications by dealers in the four classes indicated in the table.

Attainable percentages given are averages based on the costs of the most effectively managed and successful concerns selected from the entire group of concerns from which the typical percentages were obtained.

ADVERTISING COSTS

(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.4%	0.3%
Clothing.....	2.0%	1.8%
Hardware.....	0.7%	0.5%
Shoes.....	0.4%	0.3%
Drugs.....	0.4%	0.5%

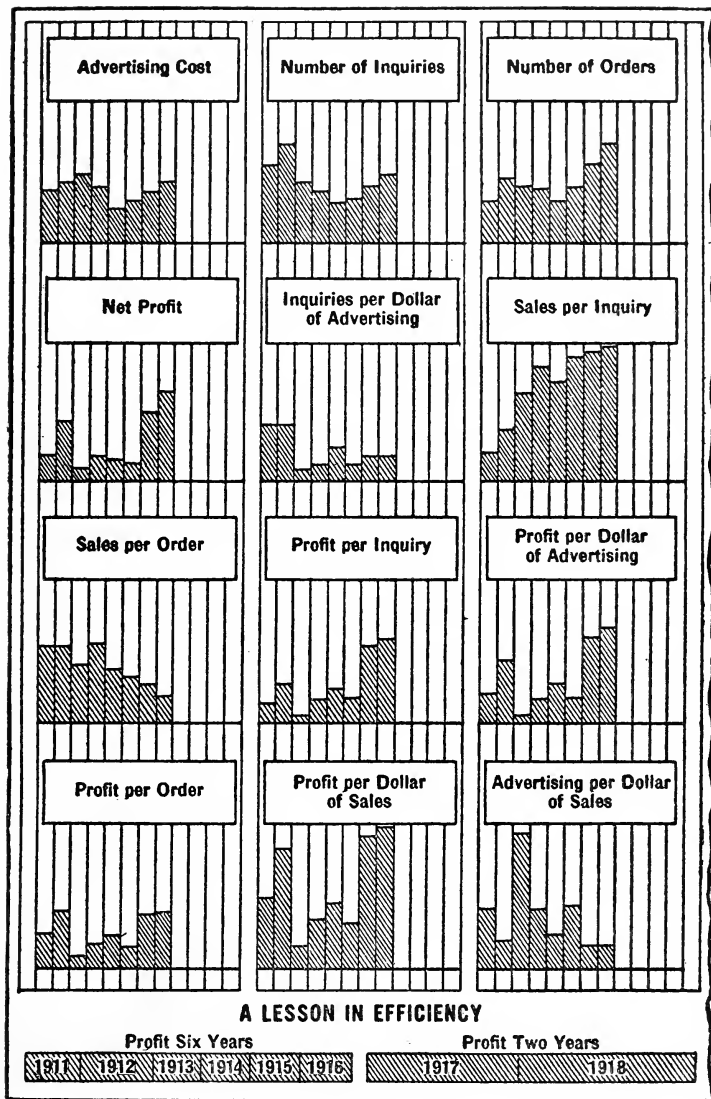


Figure 17: This graph is effectively used as a wall chart in one concern. It shows all the important tendencies of inquiries, sales, and costs—a group of comparisons which guard every loophole through which profits might be lost. Such information is decidedly worth while.

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.4%	0.3%
Clothing.....	2.0%	1.4%
Hardware.....	0.3%	0.3%
Electrical goods.....	1.5%	0.5%
Dry goods.....	1.5%	0.9%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.1%	0.1%
Hardware.....	0.3%	0.2%
Electrical goods.....	0.4%	0.2%

Among the many small items of expense which mean but little when taken by themselves but which in the aggregate mean a big drain on the business in the course of a year, are the costs for stationery, postage, printing, supplies, interest, depreciation, and repairs. For purposes of classification it was found convenient to consider the items of stationery, postage, printing, and supplies, together, under the heading "office expense." The costs for these items among houses having annual sales of more than \$1,000,000 was found to range from an indicated figure of 0.8% of sales in the case of hardware wholesalers to an indicated figure of 0.3%, which was found to be the average amount spent for these items by grocery, clothing, and drug houses. This was in spite of the fact that many broken orders normally make groceries and drugs expensive to handle in the warehouse and shipping room. The figures indicate this does not necessarily increase office expense. Indicated attainable cost figures for this item in grocery concerns is apparently 0.1% less than the indicated average cost in each class. Some of the hardware and shoe concerns which watch the small items of expense closest seem to have been able to reach an attainable figure approximately 0.2% lower than the indicated average.

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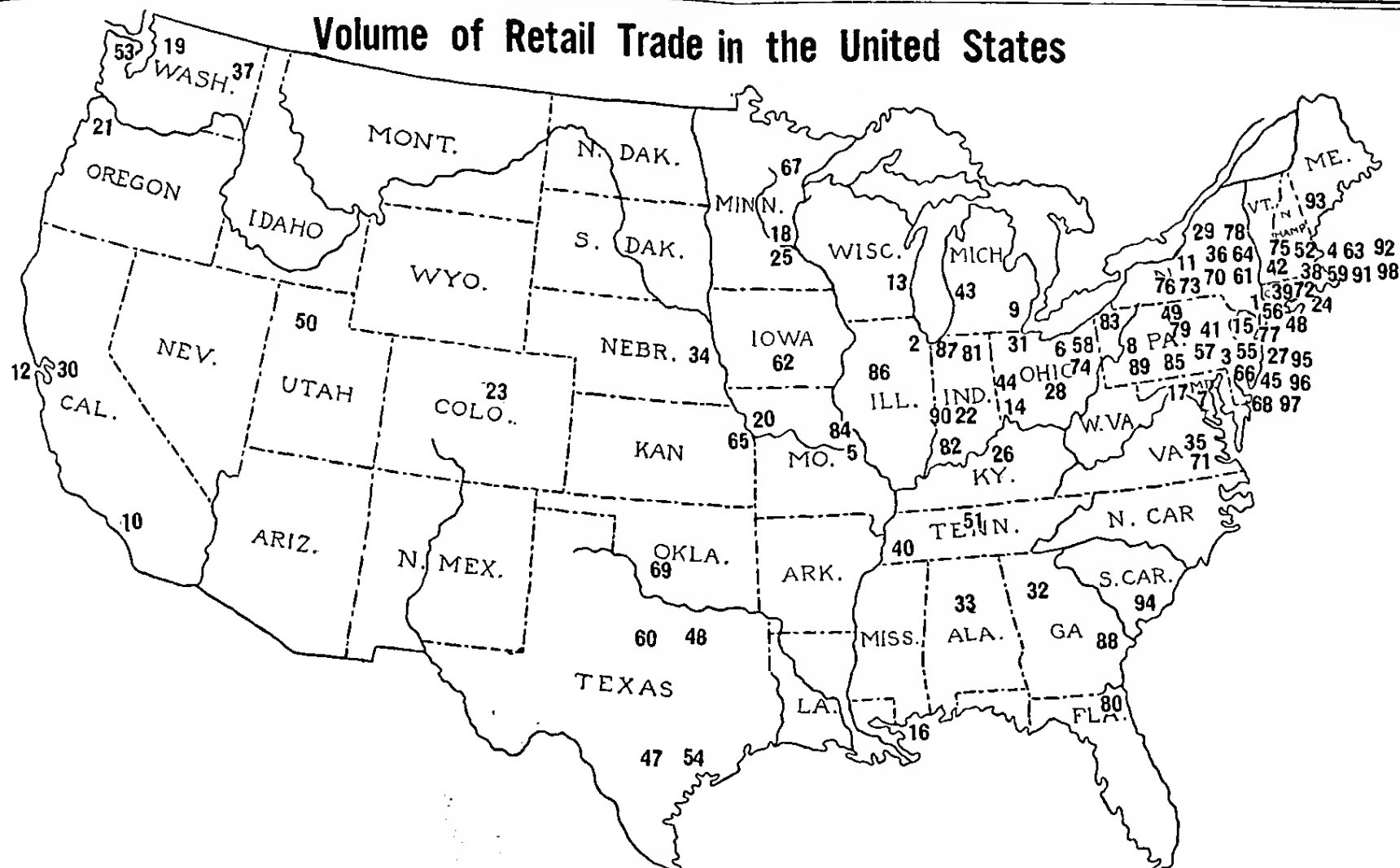
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Volume of Retail Trade in the United States



CITY	VOLUME OF RETAIL TRADE	CITY	VOLUME OF RETAIL TRADE	CITY	VOLUME OF RETAIL TRADE	CITY	VOLUME OF RETAIL TRADE
1 New York City	1,150,333,790	26 Louisville, Ky.	47,782,000	51 Nashville, Tenn.	23,411,400	76 Manchester, N. Y.	15,656,600
2 Chicago, Ill.	500,000,000	27 Jersey City, N. J.	45,951,750	52 Lowell, Mass.	22,649,000	77 Elizabeth, N. J.	15,604,200
3 Philadelphia, Pa.	342,124,660	28 Columbus, Ohio	42,975,600	53 Tacoma, Wash.	22,540,000	78 Troy, N. Y.	15,583,200
4 Boston, Mass.	177,811,050	29 Rochester, N. Y.	41,283,400	54 Houston, Tex.	22,461,400	79 Wilkes-Barre, Pa.	15,355,208
5 St. Louis, Mo.	151,500,000	30 Oakland, Calif.	39,720,800	55 Trenton, N. J.	22,318,600	80 Jacksonville, Fla.	15,499,800
6 Cleveland, Ohio	134,814,600	31 Toledo, Ohio	38,310,800	56 Hartford, Conn.	22,180,000	81 Fort Wayne, Ind.	15,236,600
7 Baltimore, Md.	117,924,200	32 Atlanta, Ga.	38,111,600	57 Reading, Pa.	21,876,200	82 Evansville, Ind.	15,215,600
8 Pittsburgh, Pa.	115,818,000	33 Birmingham, Ala.	36,352,400	58 Youngstown, Ohio	21,677,000	83 Erie, Pa.	15,039,000
9 Detroit, Mich.	114,356,800	34 Omaha, Neb.	33,094,000	59 Springfield, Mass.	21,188,400	84 E. St. Louis, Ill.	14,941,600
10 Los Angeles, Calif.	100,762,400	35 Richmond, Va.	31,337,400	60 Ft. Worth, Texas	20,912,400	85 Harrisburg, Pa.	14,403,000
11 Buffalo, N. Y.	93,711,600	36 Syracuse, N. Y.	31,124,800	61 Albany, N. Y.	20,839,800	86 Peoria, Ill.	14,291,600
12 San Francisco, Calif.	92,703,200	37 Spokane, Washington	30,064,600	62 Des Moines, Ia.	20,319,600	87 South Bend, Ind.	13,789,200
13 Milwaukee, Wis.	87,307,000	38 Worcester, Mass.	32,662,800	63 Lawrence, Mass.	20,112,000	88 Savannah, Ga.	13,761,000
14 Cincinnati, Ohio	82,095,200	39 New Haven, Conn.	29,937,000	64 Schenectady, N. Y.	19,903,800	89 Johnstown, Pa.	13,705,800
15 Newark, N. J.	81,778,800	40 Memphis, Tenn.	29,799,000	65 Kansas City, Kan.	19,887,400	90 Terre Haute, Ind.	13,216,600
16 New Orleans, La.	74,349,400	41 Scranton, Pa.	29,362,200	66 Camden, N. J.	19,121,940	91 Holyoke, Mass.	13,216,600
17 Washington, D. C.	72,796,000	42 Fall River, Mass.	25,673,200	67 Duluth, Minn.	18,899,000	92 Brockton, Mass.	12,824,810
18 Minneapolis, Minn.	72,690,800	43 Grand Rapids, Mich.	25,658,200	68 Wilmington, Del.	18,853,000	93 Portland, Me.	12,773,400
19 Seattle, Washington	69,673,800	44 Dayton, Ohio	25,444,800	69 Oklahoma, Okla.	18,588,600	94 Charleston, S. C.	12,146,800
20 Kansas City, Mo.	59,569,400	45 Paterson, N. J.	24,919,740	70 Yonkers, N. Y.	17,970,840	95 Passaic, N. J.	11,483,840
21 Portland, Ore.	59,092,600	46 Dallas, Texas	24,905,400	71 Norfolk, Va.	17,922,400	96 Bayonne, N. J.	11,182,880
22 Indianapolis, Ind.	54,341,500	47 San Antonio, Texas	24,766,200	72 Waterbury, Conn.	17,394,600	97 Hoboken, N. J.	7,721,400
23 Denver, Colorado	52,160,000	48 Bridgeport, Conn.	24,315,800	73 Utica, N. Y.	17,138,400	98 Somerville, Mass.	6,963,120
24 Providence, R. I.	50,992,000	49 New Bedford, Pa.	23,631,600	74 Akron, Ohio	17,125,000		
25 St. Paul, Minn.	49,446,400	50 Salt Lake City Utah	23,479,800	75 Lynn, Mass.	16,392,320		

Insert III: As dealer sales are an exceedingly important factor in determining distribution and selling policies for so many distributors—either manufacturers or wholesalers—this map will be found helpful. You will find the cities classified according to volume of retail

trade, as explained fully in the key given below the map. Perhaps comparison of your own sales volume with the total volume of retail trade for these 98 cities will help you to locate the districts where additional advertising or selling effort could be most profitably expended.

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OFFICE EXPENSE

(Stationery, postage, printing, and supplies)

(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.3%	0.2%
Clothing.....	0.3%	0.2%
Hardware.....	0.8%	0.6%
Shoes.....	0.5%	0.3%
Drugs.....	0.3%	0.2%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.3%	0.3%
Clothing.....	0.5%	0.4%
Hardware.....	0.7%	0.6%
Electrical goods.....	0.5%	0.7%
Dry goods.....	0.3%	0.2%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.2%	0.1%
Hardware.....	0.6%	0.5%
Electrical goods.....	0.9%	0.5%

Cost for interest, depreciation, and repairs are considered as a unit under this heading of "general expense." The cost figures for these items indicate that in both the typical and attainable figures hardware concerns again have the heaviest costs. In the large concerns the indicated typical cost is 3.7% of sales. The indicated average for concerns doing a business of \$500,000 to \$1,000,000 is 2.5%, while among the smaller concerns this item of expense rises to an indicated figure of 4%. These figures indicate apparently that the small hardware houses operate on a large amount

of borrowed capital. Small electrical goods houses and the large shoe and drug houses also are indicated to have heavy items of general expense—in each case the figures running well over 2%. To prevent these small items from eating too deeply into the profits, wholesalers are paying more attention to classifying their goods, are installing cost systems which will indicate at a glance how much has been spent on these incidentals, and are giving more attention to methods which will reduce selling expense.

GENERAL EXPENSE

(Interest on owned and borrowed capital, depreciation, and repairs)

(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	1.6%	1.3%
Clothing.....	1.4%	2.0%
Hardware.....	3.7%	2.9%
Shoes.....	2.7%	2.6%
Drugs.....	2.2%	2.2%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	1.6%	1.0%
Clothing.....	1.1%	1.4%
Hardware.....	2.5%	3.9%
Electrical goods.....	0.8%	2.0%
Dry goods.....	1.6%	1.6%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	1.4%	1.1%
Hardware.....	4.0%	2.7%
Electrical goods.....	2.9%	1.4%

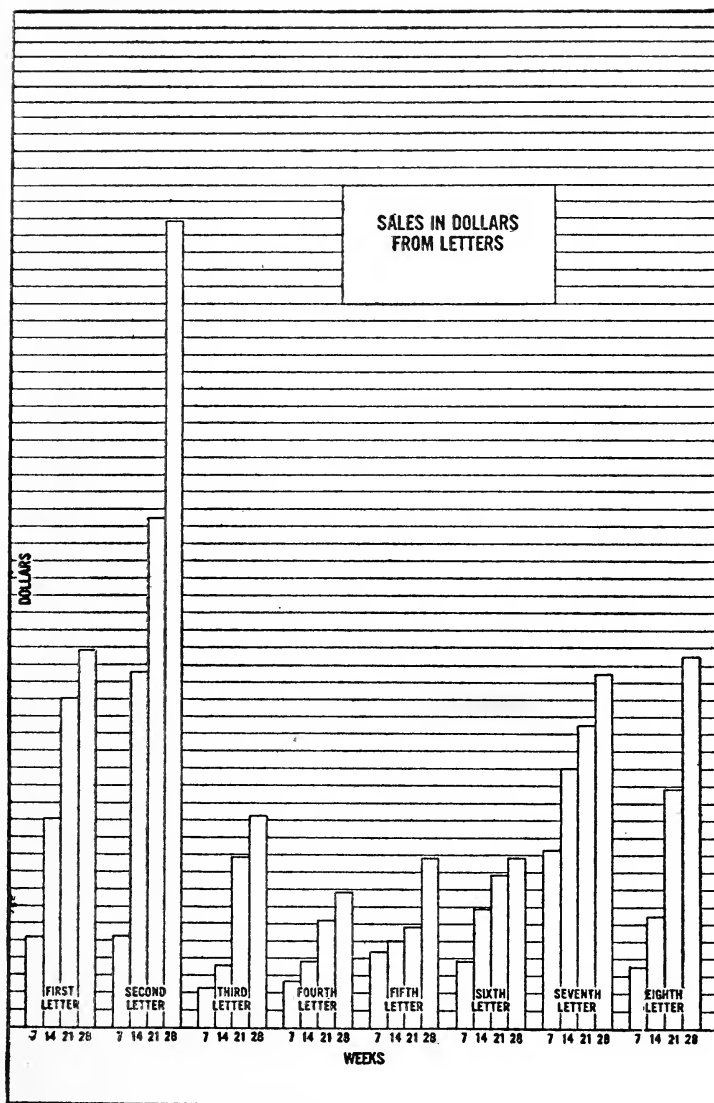


Figure 18: In one concern this graph shows the income in dollars secured each successive week of a mail-order campaign through each letter. This plan shows the best letter-style, since it instantly tells everyone in the organization which letters bring in the biggest profit.

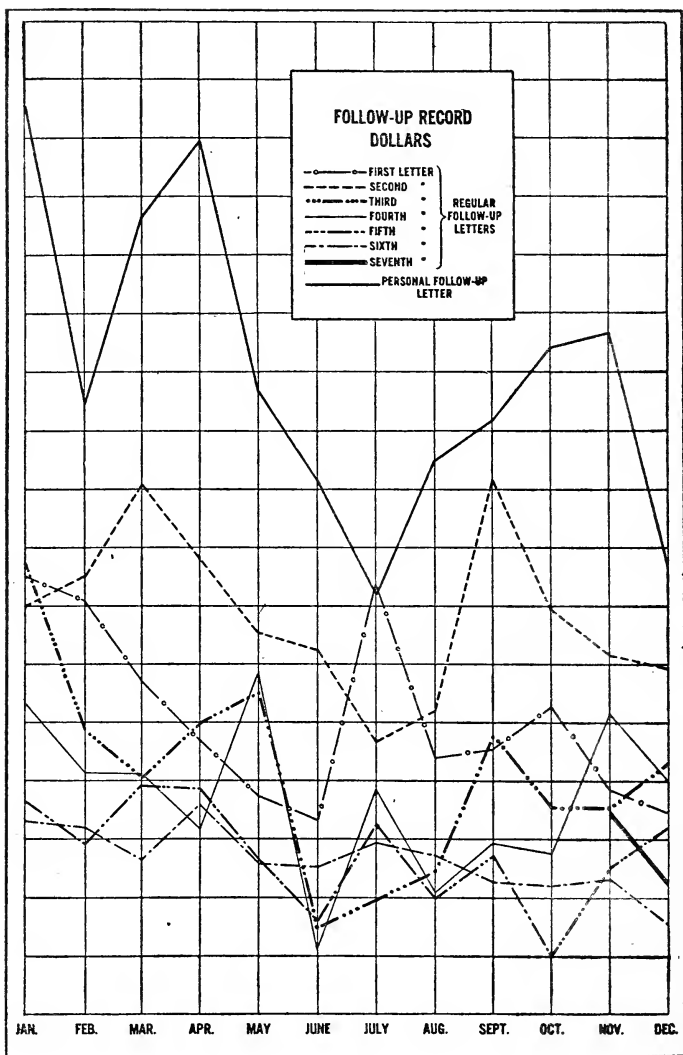


Figure 19: This graph is used by one concern to watch the progress of successful letters to prospects and to check on those which are falling down. The total returns from each letter appear by months. Simple plans like this for locating result-producing methods are highly valuable.

Administrative salaries and wage expenses are higher apparently among wholesale hardware dealers of all classes than among other wholesale dealers. Cost figures for wholesale electrical firms having annual sales of more than \$1,000,000 are not included here, as the costs in the few big syndicate firms might not give a true indication of general costs in this line. Careful examination of the detailed figures indicates the item of wages varies more than the item of administrative salaries. Handling hardware, especially engines and machinery, perhaps requires a higher degree of skill than handling groceries or shoes. The wage item also usually is a heavy cost factor among electrical firms.

ADMINISTRATIVE SALARIES AND WAGES

(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	3.0%	2.8%
Clothing.....	4.0%	3.8%
Hardware.....	7.9%	7.5%
Shoes.....	3.2%	2.4%
Drugs.....	3.8%	3.0%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	2.2%	2.3%
Clothing.....	3.5%	2.6%
Hardware.....	6.2%	5.0%
Electrical goods.....	5.9%	5.6%
Dry goods.....	1.7%	1.5%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	2.0%	2.0%
Hardware.....	5.3%	4.7%
Electrical goods.....	4.9%	4.9%

From these figures it is apparent that packing and shipping costs run higher in the shoe, electrical, and hardware lines, than in dry goods, groceries, drugs, and clothing establishments. Many shoe wholesalers are also manufacturers, and much of the high shipping cost in this line comes from the necessity of providing boxes for each pair of shoes. Bulky goods, such as in the electrical and hardware lines, naturally create a larger shipping expense. The figures for large wholesale drug concerns indicate a fairly high expense for these items, probably due to the great care necessary in handling these goods and to the number of small, mixed orders.

PACKING AND SHIPPING COSTS
(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.5%	0.3%
Clothing.....	0.4%	0.3%
Hardware.....	1.0%	0.9%
Shoes.....	1.1%	0.7%
Drugs.....	0.7%	0.5%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.5%	0.2%
Clothing.....	0.4%	0.3%
Hardware.....	0.7%	0.8%
Electrical goods.....	1.1%	0.7%
Dry goods.....	0.4%	0.2%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.3%	0.2%
Hardware.....	0.6%	0.5%
Electrical goods.....	0.9%	0.5%

Clothing wholesalers and wholesale druggists are indicated by these figures to pay the highest amounts for rent. This condition exists apparently because these businesses usually are located in the center of an expensive business district and because the type of goods carried demands the best possible fire protection. Many clothing wholesalers also are manufacturers and, of course, require more room for their business than wholesaling alone would demand.

WHAT RENT COSTS

(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.4%	0.4%
Clothing.....	1.2%	0.8%
Hardware.....	1.0%	0.8%
Shoes.....	0.6%	0.4%
Drugs.....	2.0%	1.5%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.6%	0.5%
Clothing.....	1.4%	0.9%
Hardware.....	1.2%	1.0%
Electrical goods.....	0.9%	0.7%
Dry goods.....	1.0%	0.8%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.5%	0.4%
Hardware.....	1.2%	1.5%
Electrical goods.....	1.0%	1.0%

These figures for light, heat, and power costs indicate that clothing and dry goods houses have the highest average expenses for these items. This apparently is due to the

fact that clothing and dry goods houses often maintain large buildings and not infrequently manufacture part of their products. The figures also show that these items of expense apparently are as high or higher for houses doing an annual business of \$500,000 to \$1,000,000, as for the larger houses, since many firms require a larger building when the sales go over the \$500,000 mark. In some cases the indicated attainable standard for this item of expense is larger than the average cost for all concerns. This is largely due to the fact that the group of concerns from which the indicative attainable standards were taken usually used more modern methods and were housed in better equipped buildings.

LIGHT, HEAT, AND POWER COSTS

(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.1%	0.1%
Clothing.....	0.3%	0.2%
Hardware.....	0.2%	0.1%
Shoes.....	0.2%	0.2%
Drugs.....	0.1%	0.2%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.2%	0.2%
Clothing.....	0.3%	0.2%
Hardware.....	0.2%	0.2%
Electrical goods.....	0.1%	0.3%
Dry goods.....	0.4%	0.3%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.1%	0.1%
Hardware.....	0.2%	0.1%
Electrical goods.....	0.1%	0.1%

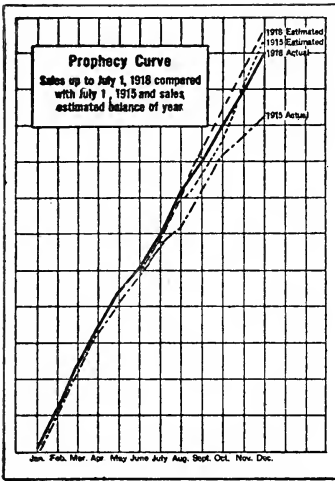


Figure 20: When sales might have slumped, this “prophecy curve” told where to put added pressure.

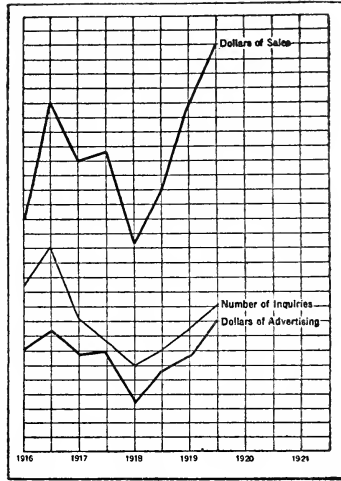


Figure 21: This chart shows the relation of sales to the advertising costs and the number of inquiries.

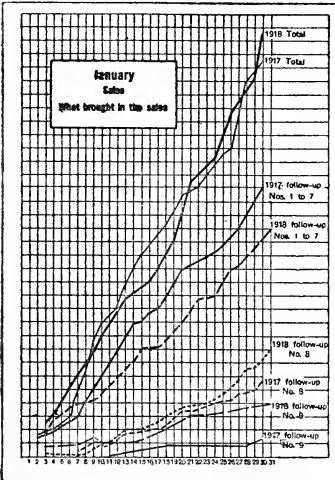


Figure 22: Each factor in a sales campaign can be charted to show just which one brings the business.

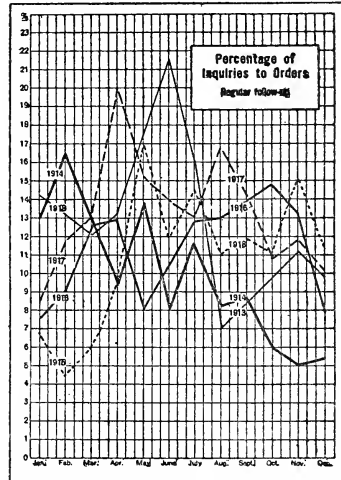


Figure 23: This graph charts the percentage of orders to inquiries each month from the follow-up.

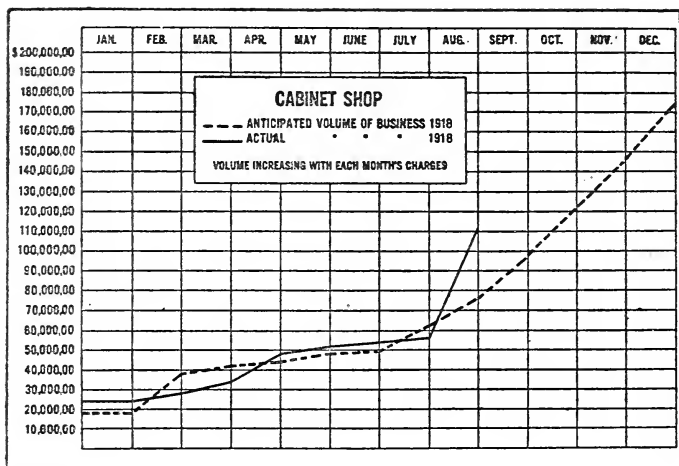


Figure 24: This chart is prepared at the first of each year by an eastern concern. Anticipated and actual sales are checked up on it, and whenever a slump is indicated, timely remedies can be applied.

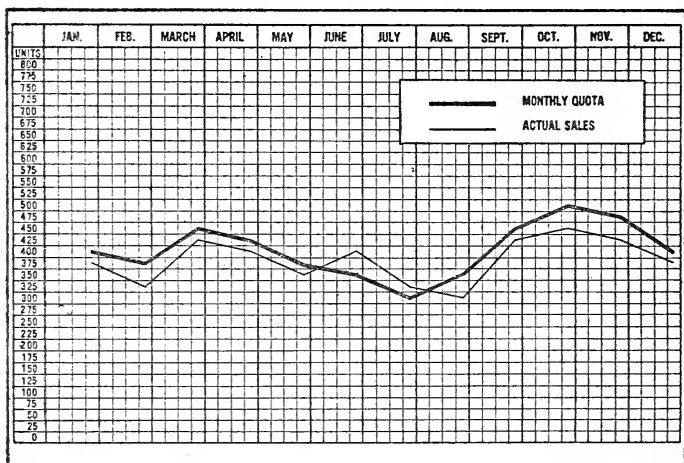


Figure 25: In one concern each salesman receives a chart like this every month. It pictures the relation between his sales and his quota, and shows whether he is doing more or less than is expected of him.

Insurance and tax costs are fairly stable, investigation indicated, in businesses of the same size and kind. The large firms seem to have less opportunity for reducing these items of expense than the small ones. However, many firms were able to make substantial reductions in their insurance costs by installing fire-protection systems, by rearranging stock, and by keeping the building clean. Some small hardware houses apparently have been able to make substantial savings on these items while the most successful small grocery concerns, and those having sales of more than \$1,000,000, apparently have an investment in buildings and stock which requires a slightly larger expenditure.

INSURANCE AND TAXES

(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.4%	0.5%
Clothing.....	0.4%	0.3%
Hardware.....	0.7%	0.7%
Shoes.....	0.6%	0.4%
Drugs.....	0.4%	0.3%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.5%	0.5%
Clothing.....	0.4%	0.3%
Hardware.....	0.7%	0.6%
Electrical.....	0.6%	0.5%
Dry goods.....	0.5%	0.3%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.4%	0.5%
Hardware.....	0.8%	0.4%
Electrical goods.....	0.4%	0.4%

Cost figures gathered from 387 wholesalers indicate that with concerns doing a business of more than \$1,000,000 a year, shoe and clothing firms lead in expense for bad debts with marks of 1.6%, while for wholesalers of clothing 1% is indicated as a fair cost. Perhaps the answer to the higher indicated costs for bad debts for these lines may be laid, at least partly, to changing styles. A retailer, who is caught with a large stock on hand, unsalable because of changed styles, is, of course, likely to become a "bad-pay," or at best a "slow-pay." Electrical goods concerns are indicated to be the hardest hit by bad debt costs of the wholesalers in the seven lines investigated.

WHAT BAD DEBTS COST
(Annual sales more than \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.7%	0.4%
Clothing.....	1.2%	1.0%
Hardware.....	1.1%	0.8%
Shoes.....	1.6%	0.6%
Drugs.....	0.6%	0.5%

(Annual sales \$500,000 to \$1,000,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.5%	0.4%
Clothing.....	1.0%	0.8%
Hardware.....	0.8%	0.7%
Electrical goods.....	1.5%	0.8%
Dry goods.....	0.5%	0.3%

(Annual sales less than \$500,000)

Line	Indicated typical costs	Indicated attainable costs
Groceries.....	0.5%	0.4%
Hardware.....	0.6%	0.5%
Electrical goods.....	0.9%	0.3%

These figures represent the rates of turnover in a representative house in each of the lines mentioned. The turnover rate, of course, varies widely within each line, depending on the location of the house and the merchandise handled.

Line	Gross sales	Turnovers
Grocery.....	\$500,000 to \$1,000,000	6
Grocery.....	\$1,000,000 and over	10
Drugs.....	\$1,000,000 and over	6 to 6½
Hardware.....	\$1,000,000 and over	3
Clothing.....	\$1,000,000 and over	2
Shoes.....	\$1,000,000 and over	5

Indicated typical cost figures and indicated attainable standards given here are for firms doing an annual business of \$500,000 to \$1,000,000 and for firms having annual sales of less than \$500,000. From these figures you can easily determine your approximate cost of doing business. Take the typical and indicated attainable cost figures for your line and class of business and write them down in one column. You then have a basis for comparison of your figures with the average for your line and by checking figures by columns you can keep close tab on your operating costs for the coming year.

WHOLESALE GROCERIES

(Annual sales \$500,000 to \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	2.2%	1.8%
Administrative salaries and wages.	2.2%	2.3%
Rent.....	0.6%	0.5%
Light, heat, and power.....	0.2%	0.2%
Packing and shipping.....	0.5%	0.2%
Insurance and taxes.....	0.5%	0.5%
Office expense.....	0.3%	0.3%
Bad debts.....	0.5%	0.4%
Advertising.....	0.4%	0.3%
General expense.....	1.6%	1.0%
Total costs.....	9.0%	7.5%

WHOLESALE GROCERIES

(Annual sales less than \$500,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	1.7%	1.4%
Administrative salaries and wages.	2.0%	2.0%
Rent.....	0.5%	0.4%
Light, heat, and power.....	0.1%	0.1%
Packing and shipping.....	0.3%	0.2%
Insurance.....	0.4%	0.5%
Office expense.....	0.2%	0.1%
Bad debts.....	0.5%	0.4%
Advertising.....	0.1%	0.1%
General expense.....	1.4%	1.1%
Total costs.....	7.2%	6.3%

WHOLESALE CLOTHING

(Annual sales \$500,000 to \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	5.5%	4.5%
Administrative salaries and wages.	3.5%	2.6%
Rent.....	1.4%	0.9%
Light, heat, and power.....	0.3%	0.2%
Packing and shipping.....	0.4%	0.3%
Insurance and taxes.....	0.4%	0.3%
Office expense.....	0.5%	0.4%
Bad debts.....	1.0%	0.8%
Advertising.....	2.0%	1.4%
General expense.....	1.1%	1.4%
Total costs.....	16.1%	12.8%

WHOLESALE ELECTRICAL GOODS

(Annual sales less than \$500,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	4.6%	4.0%
Administrative salaries and wages.	4.9%	4.9%
Rent.....	1.0%	1.0%

WHOLESALE ELECTRICAL GOODS, Continued

	Indicated typical costs	Indicated attainable costs
Light, heat, and power.....	0.1%	0.1%
Packing and shipping.....	0.9%	0.5%
Insurance and taxes.....	0.4%	0.4%
Office expense.....	0.9%	0.5%
Bad debts.....	0.9%	0.3%
Advertising.....	0.4%	0.2%
General expense.....	2.9%	1.4%
Total costs.....	<u>17.0%</u>	<u>13.3%</u>

WHOLESALE HARDWARE

(Annual sales \$500,000 to \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	5.9%	3.6%
Administrative salaries and wages.....	6.2%	5.0%
Rent.....	1.2%	1.0%
Light, heat, and power.....	0.2%	0.2%
Packing and shipping.....	0.7%	0.8%
Insurance and taxes.....	0.7%	0.6%
Office expense.....	0.7%	0.6%
Bad debts.....	0.8%	0.7%
Advertising.....	0.3%	0.3%
General expense.....	2.5%	3.9%
Total costs.....	<u>19.2%</u>	<u>16.7%</u>

WHOLESALE HARDWARE

(Annual sales less than \$500,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	4.2%	3.8%
Administrative salaries and wages.....	5.3%	4.7%
Rent.....	1.2%	1.5%
Light, heat, and power.....	0.2%	0.1%
Packing and shipping.....	0.6%	0.5%
Insurance and taxes.....	0.8%	0.4%
Office expense.....	0.6%	0.5%

WHOLESALE HARDWARE, Continued

	Indicated typical costs	Indicated attainable costs
Bad debts.....	0.6%	0.5%
Advertising.....	0.3%	0.2%
General expense.....	4.0%	2.7%
Total costs.....	17.8%	14.9%

All the cost figures that follow apply to concerns in the different lines doing an annual business of more than \$1,000,000 unless otherwise indicated. In case yours is a wholesale electrical goods firm with annual sales of more than \$1,000,000 you can approximate your expense for the different items by adding slightly to each typical cost figure given here. In case yours is a dry goods firm with annual sales of more than \$1,000,000 or less than \$500,000 you can figure your approximate costs by adding to the figures given in one case and subtracting in the other. The investigation showed that total costs for the larger wholesale dry goods firms were about 2.5% higher than the typical figure here shown and that the total costs for the smaller houses of this line were about 3% lower.

WHOLESALE GROCERIES

(Annual sales more than \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	3.1%	2.5%
Administrative salaries and wages.....	3.0%	2.8%
Rent.....	0.4%	0.4%
Light, heat, and power.....	0.1%	0.1%
Packing and shipping.....	0.5%	0.3%
Insurance and taxes.....	0.4%	0.5%
Office expense.....	0.3%	0.2%
Bad debts.....	0.7%	0.4%
Advertising.....	0.4%	0.3%
General expense.....	1.6%	1.3%
Total costs.....	10.5%	8.8%

WHOLESALE SHOES

(Annual sales more than \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	4.9%	4.0%
Administrative salaries and wages.	3.2%	2.4%
Rent.....	0.6%	0.4%
Light, heat, and power.....	0.2%	0.2%
Packing and shipping.....	1.1%	0.7%
Insurance and taxes.....	0.6%	0.4%
Office expense.....	0.5%	0.3%
Bad debts.....	1.6%	0.6%
Advertising.....	0.4%	0.3%
General expense.....	2.7%	2.6%
Total costs.....	15.8%	11.9%

WHOLESALE DRUGS

(Annual sales more than \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	4.1%	3.5%
Administrative salaries and wages.	3.8%	3.0%
Rent.....	2.0%	1.5%
Light, heat, and power.....	0.1%	0.2%
Packing and shipping.....	0.7%	0.5%
Insurance and taxes.....	0.4%	0.3%
Office expense.....	0.3%	0.2%
Bad debts.....	0.6%	0.5%
Advertising.....	0.4%	0.5%
General expense.....	2.2%	2.2%
Total costs.....	14.6%	12.4%

WHOLESALE DRY GOODS

(Annual sales \$500,000 to \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	4.9%	4.5%
Administrative salaries and wages.	1.7%	0.5%
Rent.....	1.0%	0.8%

WHOLESALE DRY GOODS, Continued

	Indicated typical costs	Indicated attainable costs
Light, heat, and power.....	0.4%	0.3%
Packing and shipping.....	0.4%	0.2%
Insurance and taxes.....	0.5%	0.3%
Office expense.....	0.3%	0.2%
Bad debts.....	0.5%	0.3%
Advertising.....	1.5%	0.9%
General expense.....	1.6%	1.6%
Total costs.....	12.8%	10.6%

WHOLESALE CLOTHING

(Annual sales more than \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	6.0%	5.2%
Administrative salaries and wages.	4.0%	3.8%
Rent.....	1.2%	0.8%
Light, heat, and power.....	0.3%	0.2%
Packing and shipping.....	0.4%	0.3%
Insurance and taxes.....	0.4%	0.3%
Office expense.....	0.3%	0.2%
Bad debts.....	1.2%	1.0%
Advertising.....	2.0%	1.8%
General expense.....	1.4%	2.0%
Total costs.....	17.2%	15.6%

WHOLESALE HARDWARE

(Annual sales more than \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	6.4%	4.0%
Administrative salaries and wages.	7.9%	7.5%
Rent.....	1.0%	0.8%
Light, heat, and power.....	0.2%	0.1%
Packing and shipping.....	1.0%	0.9%
Insurance and taxes.....	0.7%	0.7%

INSERT IV



Insert IV: In this map of the United States are shown the dividing lines between the nine important sales districts of the country, as indicated by careful investigation. A different type of shading has been used for each section. These districts may be combined or subdivided, of course,

to meet the individual selling needs of the distributor—whether wholesaler or manufacturer. County lines, rather than state lines, are followed, and were determined after a careful examination into economical railway travel. In this particular instance, the home office is located in

Atlanta. Just which counties are included in each district is explained fully in the key given below the map, as you will note. Note also the information given concerning population, land area, and population per square mile for each of the nine districts. This map was specially pre-

pared for the Bureau of Business Standards, and can be used profitably by every distributor who is interested in national or regional sales. Its chief advantage consists in making it possible to route salesmen more economically and applying concentration where it is most needed.

Light
Pack
Insur
Office
Bad
Adve
Gene

Sellin
Adm
Rent
Ligh
Pack
Insu
Offic
Bad
Adv
Gen

Selli
Adn
Ren
Ligl
Pac
Insu

WHOLESALE HARDWARE, Continued

	Indicated typical costs	Indicated attainable costs
Office expense.....	0.8%	0.6%
Bad debts.....	1.1%	0.8%
Advertising.....	0.7%	0.5%
General expense.....	3.7%	2.9%
Total costs.....	23.5%	18.8%

WHOLESALE ELECTRICAL GOODS

(Annual sales \$500,000 to \$1,000,000)

	Indicated typical costs	Indicated attainable costs
Selling expense.....	5.2%	3.9%
Administrative salaries and wages.	5.9%	5.6%
Rent.....	0.9%	0.7%
Light, heat, and power.....	0.1%	0.3%
Packing and shipping.....	1.1%	0.7%
Insurance and taxes.....	0.6%	0.5%
Office expense.....	0.5%	0.7%
Bad debts.....	1.5%	0.8%
Advertising.....	1.5%	0.5%
General expense.....	0.8%	2.0%
Total costs.....	18.1%	15.7%

General average costs of doing business secured from the books of the members of the Southern Wholesale Grocers' Association are shown on the following pages. Indicative figures have been compiled from grocers in 11 states. These figures were obtained by the Bureau of Business Standards of the Shaw Publications in a nation-wide investigation of wholesalers' costs. The attainable percentages given are averages based on the costs of the most effectively managed concerns selected from the entire group of concerns from which the typical percentages were obtained. Unusually low or high figures have been purposely omitted in the compilation in order to arrive at typical averages only.

AVERAGE COSTS OF DOING
SOUTHERN WHOLESALE

Average for.....	Ala.	Ark.	Fla.	Ga.	La.
SELLING EXPENSE	.0266	.0195	.0246	.0234	.0165
Salaries, sales force	.0160	.0088	.0142	.0266	.0116
Commissions.....	.....	.....	.....	.....	.....
Sales traveling expense.....	.0101	.0099	.0115	.0080	.0045
Advertising, including catalog..	.0011	.0100	.0024	.0005	.0004
SHIPPING AND WAREHOUSE....	.0105	.0100	.0113	.0088	.0124
Wages—receiving, shipping, stock..	.....	.0108	.0010	.0098	.0102
Drayage and Express.....	.....	.0002	.0010	.0013	.0022
MANAGEMENT AND OFFICE.....	.0132	.0174	.0174	.0180	.0202
Manufacturing and office salaries....	.....	.0183	.0118	.0152	.0171
Printing and stationery.....	.....	.0040	.0014	.0036	.....
Office supplies.....	.....	.0001	.....	.....	.0027
Postage.....	.....	.0016	.0018	.0018	.....
Credit and collection.....	.....	.0005	.0015	.0002	.0004
FIXED CHARGES—UPKEEP.....	.0062	.0054	.0075	.0091	.0186
Rent, including warehouse.....	.....	.0003	.0032	.0037	.....
Heat, light, and power.....	.....	.0005	.0003	.0016	.0004
Insurance, credit, casualty.....	.....	.0023	.0013	.0016	.0013
Taxes, mercantile and corporation.	.....	.0044	.0015	.0037	.0026

BUSINESS—FROM MEMBERS OF THE
GROCERS' ASSOCIATION

N. C.	S. C.	Okla.	Tenn.	Texas	Va.	General average of each item
.02125	.0438	.02359	.0261	.02652	.02	.0247
.0150	.0077	.0155	.0148	.0160	.0150	.0146
.....	.....	.0010	.0050	.....	.....	.0030
.0050	.....	.01005	.0108	.00652	.0050	.00813
.0018	.0010	.....	.0005	.0019	.....	.00216
.0081	.0062	.00737	.01005	.0157	.0137	.01028
.0062	.0062	.0073	.0038	.00853	.0225	.00766
.0025	.....	.00052	.0026	.00306	.....	.00167
.0146	.0078	.01394	.0228	.0221	.0164	.01658
.0112	.0078	.01026	.0215	.01787	.....	.01310
.0012	.....	.0008	.....	.00311	.....	.004018
.0012	.....	.0003	.0020	.0010	.....	.00121
.0025	.....	.000846	.....	.00149	.....	.00166
.0020	.....	.000145	.0020	.00075	.....	.0093
.0150	.0160	.0097	.0054	.0093	.0025	.0086
.0050	.0120	.0026	.....	.00243	.....	.00706
.0012	.....	.0003	.....	.0006	.....	.0007
.0012	.0012	.00225	.....	.00179	.....	.001617
.0062	.0068	.0044	.....	.00364	.....	.00415

AVERAGE COSTS OF DOING
SOUTHERN WHOLESALE GRO-

Average for.....	Ala.	Ark.	Fla.	Ga.	La.
Repairs and depreciation.....	.....	.0003	.....	.0001	.0143
MISCELLANEOUS					
EXPENSE.....	.005	.0027	.0030	.0033	.0024
Telephone and telegraph.....	.....	.0005	.0004	.00052	.0012
Association dues....	.....	.....	.0007	.00034	.0002
Charity and unjust claims.....	.....	.0009	.....	.00044	.0010
Damage and breakage.....	.....	.....	.....	.0002	.....
Expressage on returned goods....	.....	.....	.....	.00001	.....
LOSSES AND BAD					
DEBTS.....	.0056	.0048	.0095	.0108	.0017
INTEREST ON CAPITAL 6%.....	.0090	.0070	.0075	.0099	.0132
INTEREST ON BORROWED CAPITAL 6%.....	.0015	.0069	.0040	.0082	.0040
TOTAL COST AVERAGE.....	.0689	.0619	.07695	.08715	.0920

BUSINESS—FROM MEMBERS OF THE
CERS' ASSOCIATION, Continued

N. C.	S. C.	Okla.	Tenn.	Texas	Va.	General average of each item
.0012	.001	.0022	.....	.00130	.....	.0028
.0081	.0120	.00288	.00217	.00115	.0052	.00428
.00385	.....	.00125	.....	.00177	.....	.00135
.0003	.....	.....	.....	.0004	.....	.00018
.0003	.....	.....	.....	.00102	.....	.00073
.0003	.....	.00625	.....	.0001	.....	.00171
.....	.....	.....	.....	.....	.....	.00001
.0025	.....	.00665	.00645	.00903	.0050	.00649
.0078	.....	.0108	.0070	.0146	.0025	.0088
.0075	.....	.0046	.0010	.00698	.0037	.0043
.06695	.0507	.07909	.07445	.09272	.0700	.07462

THE AVERAGE LIFE OF CONCERNS

MANUFACTURING

Furniture_____	6.5 years	Hosiery and knit goods_____	10.0 years
Flour and grist mills_____	10.7 "	Creamery goods_____	5.0 "
Iron works_____	8.6 "	Brass, bronze, and copper_____	5.4 "
Printing_____	6.7 "	Clothing_____	9.2 "
Lumber and timber_____	7.0 "	Drugs_____	5.3 "
Boots and shoes_____	7.5 "	Automobiles_____	5.0 "
Cigars and tobacco_____	7.5 "	Carriages and wagons_____	7.0 "
Average for these 14 leading lines_____		7.2 years	
Average for 213 other lines_____		7.0 "	
General average for manufacturing concerns_____		7.0 "	

WHOLESALE

Bakery goods_____	6.6 years	Fruits_____	6.2 years
Boots and shoes_____	10.0 "	Groceries_____	10.9 "
Butter and eggs_____	5.3 "	Hardware_____	8.5 "
Cigars and tobacco_____	6.5 "	Lumber_____	7.4 "
Clothing_____	6.6 "	Meats_____	6.5 "
Confectionery_____	9.2 "	Paints, oils and glass_____	6.1 "
Dry-goods_____	7.5 "	Paper_____	8.5 "
Flour and feed_____	7.6 "	Produce_____	7.5 "
General average for wholesale concerns_____		7.5 years	

RETAIL

Groceries_____	7.1 years	Jewelry_____	7.2 years
Hardware_____	7.9 "	Dry-goods_____	6.9 "
Paints and wall paper_____	6.7 "	Clothing_____	6.4 "
Drugs_____	7.8 "	Boots and shoes_____	7.4 "
Books and stationery_____	6.9 "	Furniture_____	6.8 "
General average for retail concerns_____		7.1 years	

Figure 26: This chart provides a summary of the average length of life of the manufacturing, wholesale, and retail concerns that continued in business less than 30 years. It is interesting to compare the length of the "lives" of concerns selling the same line in these classes of business.

HOW FAST SIX "GENERATIONS" OF WHOLESALE FRUIT CONCERNS DIED							
COMPANY	1891	1896	1901	1906	1911	1916	DEATH RECORD
1							First "Generation" 60% died within 5 years
2							
3							
4							
5							
6							Second "Generation" 75% died within 5 years
7							
8							
9							
10							
11							
12							
13							
14							Third "Generation" 53% died within 5 years
15							
16							
17							
18							
19							
20							
21							
22							
23							Fourth "Generation" 50% died within 5 years
24							
25							
26							
27							Fifth "Generation" 62% died within 5 years
28							
29							
30							
31							
32							
33							
34							
35							Sixth "Generation" No deaths yet
36							
37							
38							
39							

Figure 27: Some idea of the average length of life of wholesale concerns in one line may be gained from the chart reproduced here. Note that only four of the 26 concerns that started in business prior to 1905 were still in existence in 1916. Six five-year "generations" are shown.

DEATH RATES BY FIVE-YEAR "GENERATIONS" FOR 16 WHOLESALE LINES

Percentage of total concerns in business which died within
each five-year period

Line	1891	1896	1901	1906	1911
Bakery goods.....	100%	....	....	60%	25%
Boots and shoes.....	....	60%	....	....	....
Butter and eggs.....	....	100%	22%	80%	66%
Cigars and tobacco..	50%	100%	60%	60%	50%
Clothing.....	....	....	50%	....	33%
Confectionery.....	....	33%	....	60%	....
Dry goods.....	....	50%	100%	....	....
Flour and feed.....	58%	66%	25%	....	....
Fruits.....	60%	75%	55%	50%	62%
Groceries.....	16%	66%	100%	50%	50%
Hardware.....	50%	....	25%	....	100%
Lumber.....	....	40%	55%	42%	50%
Meats.....	....	66%	....	100%	66%
Paints, oils, and glass.....	100%	33%	....	62%	100%
Paper.....	33%	....	....	....	75%
Produce.....	....	....	....	80%	80%

DEATH RATE FOR 28 WHOLESALE LINES

This table shows the death rate by generations in the 16
lines of wholesale concerns that were investigated by the
Bureau of Business Standards.

(The rate is given as the percentage of failures to the total
concerns in business during a period of 30 years)

Line	Rate
1. Bakery goods.....	30.0%
2. Books and stationery.....	70.0%
3. Boots and shoes.....	50.0%
4. Butter and eggs.....	70.7%
5. Carpets and oilcloths.....	50.0%
6. Cigars and tobacco.....	79.1%
7. Clothing.....	37.5%
8. Confectionery.....	41.1%
9. Crockery.....	50.0%
10. Drugs.....	42.8%
11. Dry goods.....	33.3%

Wholesalers						
Lines		1886-1890	1895	1900	1905	1910-1915
Bakery Goods and Confectionery	Company No. 1					
Confectionery and Fruits	Company No. 1					
	Company No. 2					
Cigars	Company No. 1					
	Company No. 2					
Coal	Company No. 1					
Commission Goods	Company No. 1					
	Company No. 2					
	Company No. 3					
Creamery Supplies	Company No. 1					
	Company No. 2					
Dry Goods	Company No. 1					
Drugs	Company No. 1					
Fruits	Company No. 1					
Groceries	Company No. 1					
	Company No. 2					
General Merchandise	Company No. 1					
Hardware	Company No. 1					
Notions	Company No. 1					

— Signifies Dealers in Business between 1886 and 1890
 - - Signifies Dealers in Business between 1895 and 1900

Figure 28: Seven wholesale or jobbing houses were in business in one town in 1886. Only two existed in 1915, and one of these, although it is still in business, is now a retail store instead of a wholesale concern.

The Superior Buying Chart																			
		Cotton Numbers												Special Numbers		Cotton Numbers			
Fabric:	Weight:	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds
Let Number and Price:		Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds	Per 100 Yds
Alabama																			
Arkansas																			
California																			
Colorado																			
Connecticut																			
Delaware																			
Florida																			
Georgia																			
Idaho																			
Illinois																			
Indiana																			
Iowa																			
Kansas																			
Kentucky																			
Louisiana																			
Maine																			
Maryland																			
Massachusetts																			
Michigan																			
Minnesota																			
Mississippi																			
Missouri																			
Montana																			
Nebraska																			
Nevada																			
New Hampshire																			
New Jersey																			
New Mexico																			
New York																			
North Carolina																			
North Dakota																			
Ohio																			
Oklahoma																			
Oregon																			
Pennsylvania																			
Rhode Island																			
South Carolina																			
South Dakota																			
Tennessee																			
Texas																			
Utah																			
Vermont																			
Virginia																			
Washington																			
West Virginia																			
Wisconsin																			
Wyoming																			

CODE:-
 ■ Best Seller
 ○ Second Best
 ★ Third Best
 △ Fourth Best

Figure 29: Investigation indicates that the chief cause of retail dry goods failures is overbuying. One concern uses this chart, showing which of its lines are selling best, as a guide to buying for retailers.

DEATH RATE FOR 28 WHOLESALE LINES, Continued

Line	Rate
12. Flour and feed.....	55.5%
13. Fruits	69.2%
14. Furniture	46.6%
15. Groceries	68.7%
16. Hardware	70.0%
17. Hay and straw.....	70.0%
18. Lumber	58.4%
19. Meats	71.4%
20. Men's furnishings.....	16.6%
21. Millinery	50.0%
22. Optical goods.....	25.0%
23. Oysters, fish, and game.....	75.0%
24. Paints, oils, and glass.....	68.4%
25. Paper	50.0%
26. Produce	58.3%
27. Tea, coffee, and spices.....	50.0%
28. Wall paper.....	25.0%
Death rate for 492 wholesale concerns in 28 lines	51.0%

WHAT CHANCE OF LIFE HAS A
WHOLESALE CONCERN?

Line	Chances in 10 to live	
	10 Years	15 Years:
Bakery goods.....	6.2	3.7
Boots and shoes.....	7.1	5.5
Butter and eggs.....	1.6	0.8
Cigars and tobacco.....	3.5	2.5
Clothing.....	6.6	6.6
Confectionery.....	6.3	5.4
Dry goods.....	7.5	5.0
Flour and feed.....	4.7	3.1
Fruits.....	3.9	2.1
Groceries.....	5.8	5.0
Hardware.....	7.5	3.7
Lumber.....	5.3	3.2
Meats.....	3.3	1.6
Paints, oils, and glass.....	4.0	3.3
Paper	8.8	7.7
Produce	5.7	4.2

PART III

RETAIL DATA AND FIGURES TO HELP YOU CHECK DISTRIB- UTIVE EXPENSES



PART III

RETAIL DATA AND FIGURES TO HELP YOU CHECK DISTRIBUTIVE EXPENSES

A RETAILER of men's furnishings in an Indiana town was rescued from a discouraging situation by taking a traveling salesman into his confidence. "My sales were \$29,000 last year—but after taking out \$35 a week for my work, I had left only about \$200 net," he explained.

The manufacturer had given his selling force rough cost averages for clothing stores and had instructed them to protect future business by helping storekeepers who could not "spot" the expenses which drive their costs too high. The salesman offered to classify the retailer's expenditures. "You're too high on your selling expense," he declared, after figuring out percentages for the more important items. "The sales were \$29,030.19 and you paid out, including what you drew yourself, \$3,556.57 for wages. That's exactly 12.25% of your sales, and it should be about 10. On that one item alone you're \$600 above the average."

"Your rent is hauling you into bankruptcy," said another manufacturer's representative to a retailer whose cry for help he had answered. "You were making a go of it, so you got excited and rented this expensive place—a beautiful shop, but way over the heads of your trade."

Rapid work by the merchant saved the day. He sold the lease at a price which paid up rent in arrears, and left a balance which more than covered moving ex-

penses. A new store of half the size, and at a much lower rental, provided ample space for a normal stock, and brought operating expenses down around the general average for the line.

Countless other similar incidents show how helpful it is to a sales manager or salesman to have a working knowledge of cost-of-doing-business figures for the lines he calls on. You cannot imagine, for example, competing manufacturers working readily into the good graces of the two merchants just mentioned. Service of that sort strengthens the bonds of good will between a merchant and the manufacturer who helps him.

By themselves, figures do not mean much, true enough. But when a merchant can find the weak points in his own merchandising structure simply by checking his own figures against reliable standards, those standards give him invaluable service.

Many progressive manufacturers feel that they have engaged in no more profitable efforts than the work they have done in teaching retailers the value of accurate figures. And that has meant that they themselves must know all about their subject.

RETAIL DATA AND FIGURES

For the manufacturer considering a campaign in the national market, the following list of retail dealers may be suggestive of profitable distributive channels.

Analyzed in connection with the tables on pages 94 and 95, it may easily be of value in showing the tendencies toward increase or decrease in the number of dealers in various lines. Close examination of lists like these is nearly always interesting and instructive.

RETAIL DEALERS IN THE UNITED STATES

(From R. G. Dun and Company's list as compiled by the
Rapid Addressing Machine Company)

Agricultural implements.....	15,912
Animals, birds, and goldfish.....	420
Art stores and pictures.....	1,900
Automobiles.....	10,200
Bakers.....	25,788
Bicycles.....	5,013
Booksellers and stationers.....	11,954
Booksellers and stationers (second-hand).....	108
Boots and shoes.....	20,104
Butchers and meat markets.....	62,798
Carpets.....	19,316
Cattle dealers and shippers.....	20,100
China, crockery and glassware.....	2,861
Cigars and tobacco.....	40,555
Cloaks and suits.....	1,988
Clothing.....	22,713
Coffee, tea, and spice.....	3,764
Confectioners.....	35,423
Department stores.....	1,752
Drugs.....	43,239
Dry goods.....	30,787
Electrical supplies.....	3,272

RETAIL DEALERS IN THE UNITED STATES

(Continued)

Fancy goods and notions (exclusive).....	3,759
Feed, flour, and grain.....	19,839
Fishing tackle.....	3,885
Five-and-ten-cent stores (independent).....	1,054
Florists.....	8,482
Fruit.....	10,087
Furs (raw).....	305
Fur garments.....	2,334
Furniture.....	16,131
Furniture (second-hand).....	2,175
Gas and electric fixtures.....	2,476
General stores.....	144,933
Glass, oils, and paint.....	29,533
Grain.....	16,783
Grocers.....	172,043
Guns.....	3,885
Hair goods.....	1,037
Hardware.....	20,881
Harness and saddlery.....	20,084
Hats and caps.....	16,240
Hides.....	1,528
Ice.....	5,429
Instalment houses.....	1,488
Japanese and Chinese goods.....	413
Jewelers.....	22,025
Junk.....	6,213
Laces and embroideries.....	384
Lumber.....	29,669
Mail-order houses.....	1,304
Men's furnishings (exclusive).....	12,387
Milk.....	11,092
Milliners.....	26,843
Musical instruments.....	6,185
Notions and toys.....	6,892
Nuts.....	138
Oysters (dealers and shippers).....	1,222
Pianos and organs.....	8,040
Provisions.....	1,221
Real estate.....	70,491
Rubber scrap.....	31

RETAIL DEALERS IN THE UNITED STATES

(Continued)

Sewing machines.....	2,102
Sporting goods.....	2,410
Stamps and coins.....	129
Stoves.....	22,177
Tallow and pelts.....	1,528
Trunks.....	712
Typewriters and supplies.....	810
Undertakers.....	17,808
Wool.....	767

Notice these figures on dealers by lines—1917 in comparison with 1913 as shown in the tables on pages 89 and 90. You find few increases, and a very marked falling off in some lines. It may be easy to explain the decreases by the growing economic pressure of recent years.

One of the greatest developments in the retail field within recent years is the chain-store idea. In 1914 "Printer's Ink" estimated that there were more than 2,000 chain-store systems in operation in the United States and that in these systems there were in excess of 25,000 stores. Present estimates range from 40,000 to 50,000 stores. It may be noted that the first chain-store system was started as early as 1859. The second followed 20 years later. The movement did not gain any marked proportions until along about 1900. Since that time it has made rapid strides until today it is a typical modern factor in distribution of merchandise. It is no longer regarded as an experiment and its economic methods of buying and of distribution will no doubt be an increased factor of contention in the future.

TOTAL NUMBER OF RETAIL DEALERS IN ALL
LINES IN THE UNITED STATES

Number in business

Grocers.....	172,007
Plumbers, steam- and gas-fitters.....	23,501
Men's furnishings.....	5,582
Lumber.....	29,655
Hardware.....	30,446

**TOTAL NUMBER OF RETAIL DEALERS IN ALL LINES
IN THE UNITED STATES, Continued**

	Number in business
General stores.....	61,953
Furniture.....	16,121
Flour and feed.....	14,443
Dry goods.....	32,128
Drugs.....	49,939
Department stores.....	1,752
Clothing.....	22,737
Boots and shoes.....	20,091
Banks and bankers.....	27,030
Agricultural implements.....	15,917
Automobiles.....	27,702
Garages, supply and repair stations.....	45,154

Any manufacturer who sells to retailers will find these figures of value. Practically every manufacturer whose goods are sold over retail counters realizes the necessity for training dealers, and this table gives an interesting indication of the general problem of the individual retailer. Certainly, effective help for retailers starts with a clear understanding of the problems they have to solve.

PER CAPITA FIGURES BY LINES
(Based on an estimated population of 105,000,000)
(Retailers)

	1 concern to following number of persons
Grocers.....	610
Plumbers, steam- and gas-fitters.....	4,468
Men's furnishing stores.....	18,810
Lumber dealers.....	3,539
Hardware dealers.....	3,448
General stores.....	1,694
Furniture stores.....	6,513
Flour and feed stores.....	7,270
Dry goods stores.....	3,268

PER CAPITA FIGURES BY LINES, Continued

	1 concern to following number of persons
Drug stores.....	2,102
Department stores.....	59,931
Clothing dealers.....	4,614
Boot and shoe dealers.....	5,226
Banks and bankers.....	3,885
Agricultural implement dealers.....	6,597
Automobile dealers.....	3,790
Garages, supply and repair stations.....	2,325

It is interesting to study the probable effect upon the figures of the next two or three census reports, produced by the war and the period of reconstruction. There are many lines of business which undoubtedly will be seriously affected. And business men in almost any line surely may profit from a knowledge of larger trade tendencies.

RATIOS OF MERCHANTS TO POPULATION

Year	Number of merchants per 1,000 of total popu- lation	Number of merchants per 1,000 of all gainfully employed in all industries	Number of persons in trade and transporta- tion per 1,000 of all gainfully employed
1850.....	7.51	27.37	109.20
1860.....	8.52	29.03	97.38
1870.....	9.27	27.56	99.50
1880.....	9.55	28.00	107.60
1890.....	11.40	29.65	146.29
1900.....	10.97	28.66	163.96
1910.....	10.92	26.30	199.28

("Merchants" include both wholesale and retail merchants. Figures are from "Economics of Retailing" and are based on the thirteenth United States census. No separate classification of wholesale dealers appears in census before 1890).

To locate territories where retail competition is keenest, and where it is not so strong; to note from time to time what states or groups of states are showing the swiftest commercial development in certain lines—these are two of the benefits

NUMBER OF CONCERNS IN RETAIL

States by Groups	Grocers	Plumbers, steam- and gas-fitters	Men's furnishings	Lumber	Hardware	General	Furniture	Flour and feed
Group 1								
Maine	1,812	227	45	303	242	522	139	109
N. H.	822	173	22	492	100	249	91	81
Vt.	581	115	12	317	152	262	81	138
Mass.	8,799	1,556	244	609	691	305	447	452
R. I.	1,428	275	28	93	76	58	58	26
Conn.	2,859	530	59	206	169	238	194	217
Group 2								
N. Y.	20,909	4,756	968	1,882	2,160	1,943	1,238	1,327
N. J.	8,322	1,721	221	673	660	486	234	140
Pa.	15,980	2,733	674	1,687	1,971	4,172	1,026	1,394
Group 3								
Ohio	10,233	1,209	320	1,447	1,919	1,831	854	1,134
Ind.	6,907	593	126	816	1,268	1,461	620	721
Ill.	12,647	1,440	453	1,920	2,387	2,528	1,097	1,704
Mich.	4,012	665	116	1,068	1,151	1,128	551	647
Wis.	3,259	403	136	1,022	1,072	1,686	515	415
Group 4								
Minn.	2,223	312	98	1,299	1,166	1,613	523	451
Iowa	2,761	413	60	1,707	1,792	1,881	743	299
Mo.	6,432	521	187	1,167	1,438	2,710	701	651
N. D.	263	58	10	788	629	811	209	147
S. D.	257	94	16	610	558	761	208	111
Neb.	1,168	185	65	875	1,053	1,460	520	280
Kan.	2,503	239	69	1,158	1,327	1,501	484	684

which may be derived from the figures given here and on the two following pages. Used in conjunction with other tables in this group, the chart may well prove suggestive of more effective methods for organizing sales activities.

LINES BY STATES (Dun's)

Dry goods	Drugs	Department	Clothing	Boot and shoe	Banks and bankers	Agricultural implements	Automobiles	Garages, supply and repair stations	Total
484	460	14	413	283	181	85	353	555	6,227
274	235	2	205	207	120	17	187	326	36,03
166	190	3	158	131	105	27	175	305	2,918
1,600	1,635	93	1,027	776	456	45	816	1,675	21,226
203	290	12	94	100	66	5	97	274	3,183
514	610	28	370	275	219	35	464	851	7,838
3,389	4,110	157	1,852	1,793	1,120	574	2,023	4,064	54,265
2,027	1,125	50	583	545	347	103	703	1,468	19,408
2,972	3,450	187	2,177	1,814	1,401	601	1,831	3,082	47,152
1,698	2,050	117	1,349	1,532	1,168	1,002	1,829	2,798	32,490
914	1,865	125	781	751	899	908	1,002	1,450	21,207
1,959	3,850	119	1,620	2,279	1,605	1,566	1,931	3,063	42,168
1,302	1,655	85	1,044	1,096	795	880	971	1,594	18,760
638	995	49	648	617	734	1,002	1,085	1,508	15,784
357	895	52	605	522	1,048	1,070	1,101	1,547	14,882
494	1,800	70	777	742	1,670	1,404	1,681	2,389	20,683
1,418	2,530	38	761	839	1,372	720	804	1,387	23,676
37	463	18	146	81	745	731	521	705	6,362
73	430	15	179	112	627	551	446	636	5,684
202	910	18	329	396	942	916	856	1,198	11,373
428	1,418	94	495	341	1,092	892	996	1,562	15,283

NUMBER OF CONCERNS IN RETAIL

States by Groups	Grocers	Plumbers, gas-fitters	Men's furnishings	Lumber	Hardware	General	Furniture	Flour and feed
Group 5								
Delaware	612	53	15	88	58	122	35	41
Maryland	3,512	561	74	387	299	862	134	161
Dist. Col.	1,407	161	36	26	54		42	50
Virginia	3,602	249	61	915	346	2,352	283	123
W. Va.	1,441	191	46	330	242	1,727	192	128
N. C.	2,111	108	44	369	309	2,545	245	42
S. C.	1,693	78	19	142	207	1,722	209	41
Georgia	4,121	165	42	240	361	2,764	344	189
Florida	936	79	56	172	207	745	159	36
Group 6								
Kentucky	4,283	250	95	329	531	2,288	273	180
Tenn.	3,885	157	43	374	221	1,839	291	160
Alabama	2,408	101	51	236	265	1,950	234	68
Miss.	1,760	56	27	246	206	2,332	138	41
Group 7								
Arkansas	2,271	100	30	421	334	1,619	202	105
Louisiana	2,781	137	32	219	182	1,481	119	120
Okla.	2,704	187	80	914	880	1,332	475	275
Texas	5,076	271	183	1,217	1,015	3,297	854	555
Group 8								
Montana	261	98	45	248	162	455	72	59
Idaho	225	72	22	202	183	385	85	91
Wyoming	101	41	20	79	75	222	36	17
Colorado	1,903	262	65	412	340	660	207	27
N. Mex.	213	42	10	116	81	445	50	32
Arizona	179	49	14	64	29	225	27	18
Utah	515	102	9	126	54	318	67	66
Nevada	118	27	18	44	36	132	16	15
Group 9								
Wash.	1,417	317	82	408	519	812	259	238
Oregon	1,113	282	76	434	293	594	198	148
Calif.	7,182	1,087	358	758	876	1,122	342	289

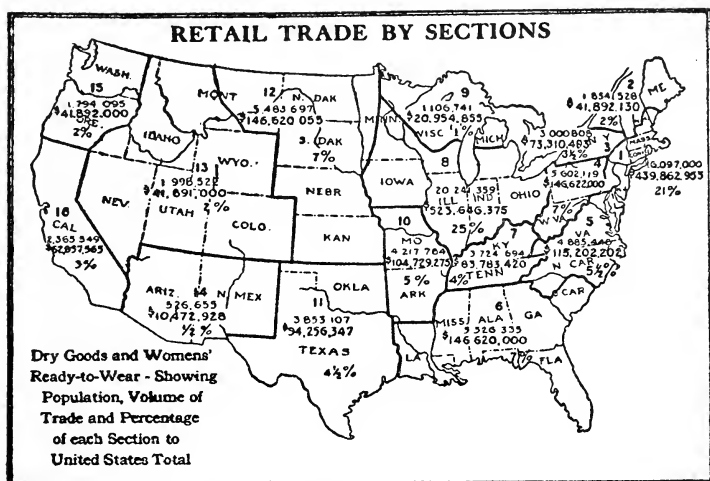
LINES BY STATES, Continued

Dry goods	Drugs	Department	Clothing	Boot and shoe	Banks and bankers	Agricultural implements	Automobiles	Garages, supply and repair stations	Totals
88	115	5	64	42	49	19	74	108	1,588
448	550	34	259	233	249	157	230	420	8,570
104	215	11	87	53	35	8	291	151	2,731
501	660	18	430	159	408	167	66	456	10,796
209	400	25	318	164	303	42	227	302	6,287
524	800	17	292	194	451	32	331	480	8,894
404	487	3	272	149	363	10	211	316	6,326
822	1,240	22	436	235	802	40	392	651	12,866
485	600	8	169	134	232	1	254	474	4,747
734	1,058	30	372	288	599	179	303	453	12,245
613	765	19	399	404	523	125	227	366	10,411
420	942	14	197	154	350	11	185	299	7,885
335	725	5	130	103	366	14	133	197	6,814
364	1,086	9	175	91	468	19	214	323	7,831
440	800	9	237	135	260	131	170	251	7,504
605	1,320	10	398	236	926	407	459	719	11,927
1,774	2,937	13	621	254	1,452	337	877	1,464	22,197
82	295	9	149	105	224	99	266	385	3,014
99	272	10	130	82	193	117	177	24	2,369
48	91	0	53	47	94	19	88	137	1,168
338	648	27	272	222	322	145	356	556	6,762
61	141	4	34	34	96	21	95	154	1,629
66	94	1	79	51	66	16	124	199	1,311
73	178	6	116	49	102	86	111	174	2,152
29	55	1	39	35	33	9	60	103	770
330	720	23	437	267	364	160	418	686	7,457
211	465	12	191	206	249	133	229	412	5,246
772	1,390	61	768	733	739	279	1,262	2,457	20,475

Many a retailer understands selling, yet is not an able merchant simply because other extremely important phases of retail management do not interest him. Perhaps he even doubts the value of obtaining accurate knowledge about his costs of doing business—he may look upon costs as so much useless “red tape.” The following table presents a graphic and unusual statement based on the latest available census, showing where a good portion of the retailer’s money goes. Note the number of persons employed as salespeople.

PERSONS ENGAGED IN RETAILING

Retail merchants and dealers, total.....	1,195,029
Agricultural implements.....	8,518
Automobiles.....	4,597
Books.....	3,118
Boots and shoes.....	19,346
Butchers.....	124,048
Candy and confectionery.....	29,538
Cigars and tobacco.....	17,728
Clothing and men’s furnishings..	35,273
Coal and wood.....	24,466
Department stores.....	8,970
Drugs and medicines.....	67,575
Dry goods, fancy goods, notions.	65,283
Five-and-ten-cent and variety...	4,331
Furniture.....	22,209
General stores.....	88,059
Groceries.....	195,432
Hardware stores, cutlery.....	39,663
Harness and saddlery.....	7,541
Hucksters and pedlers.....	80,415
Jewelry.....	29,962
Lumber.....	26,485
Music and musical instruments..	5,222
News dealers.....	7,075
Oil, paint, wall paper.....	6,818
Opticians.....	6,284
Produce and provisions.....	29,639
Rubber goods.....	493
Cashiers in stores.....	28,500
Clerks in stores.....	387,183



Form 30: This map from "Selling Forces" indicates retail tendencies by sections. Population, sales in women's ready-to-wear and dry goods, and the percentage of each section's volume to the total is shown.

RETAIL TRADE BY SECTIONS				
Dry goods and women's ready-to-wear				
Note: The territorial division is made according to the retail characteristics of the various sections of the country				
Number	Section	Population	Volume of Retail Business, Dry Goods and Women's Ready-to-wear	Percentage of U.S. Total
1.	Metropolitan	16,097,000	\$439,862,955	21
2.	Northern New England and Northern N. Y.	1,854,523	\$41,892,130	2
3.	Central New York	3,000,808	\$73,310,493	3
4.	Western Pennsylvania and West Virginia	5,602,119	\$146,620,000	7
5.	Virginia-North Carolina	4,885,443	\$115,202,202	5
6.	Gotton Belt	5,526,335	\$146,620,000	7
7.	Kentucky and Tennessee	3,724,694	\$83,793,420	4
8.	Middle West	20,241,359	\$523,646,375	25
9.	Northern Wisconsin and Michigan	1,106,741	\$20,945,855	1
10.	Missouri and Arkansas	4,217,784	\$104,729,275	5
11.	Texas and Oklahoma	3,853,107	\$94,256,347	4
12.	Prairie States	5,483,697	\$146,620,055	7
13.	Mountain States	1,998,522	\$41,891,000	2
14.	Arizona and New Mexico	526,653	\$10,472,928	1/2
15.	Washington and Oregon	1,794,055	\$41,892,000	2
16.	California	2,365,549	\$62,637,565	3
Total United States		82,278,441*	\$2,094,585,500	100
*Exclusive of negroes				

Figure 31: This table shows where the bulk of buying of women's ready-to-wear is done. This information from "Selling Forces" may indicate new markets where it is safest to exploit goods of this type.

PERSONS ENGAGED IN RETAILING, Continued

Bundle and cash boys and girls.....	10,866
Decorators, drapers, window dressers.....	5,341
Delivery men.....	205,589
Demonstrators.....	4,380
Elevator tenders.....	3,075
Store laborers.....	68,093
Meat cutters.....	15,405
Salesmen and saleswomen.....	875,180
Scrubbers and sweepers.....	276

Here is a slightly different analysis of the same concerns listed in the tables on page 102. By comparing these tables it is possible to arrive at interesting and helpful conclusions.

GENERAL SUMMARY OF TRADING CONCERNS
IN MASSACHUSETTS*

Number of establishments.....	29,045
Dealing in raw materials... 1,682	
Dealing in food products.. 14,224	
Dealing in manufactured goods..... 13,139	
Total capital invested.....	\$ 287,966,456
Raw materials.....\$ 42,897,034	
Food products..... 71,708,282	
Manufactured goods..... 173,361,140	
Value of goods sold.....	\$1,384,161,383
Raw materials.....\$270,159,171	
Food products..... 448,002,405	
Manufactured goods..... 665,999,807	
Total number of wage earners.....	129,129
Males..... 90,332	
Females..... 38,797	
Total number of salary earners.....	15,330
Males..... 13,031	
Females..... 2,299	
Retail stores—total.....	24,522
Raw materials..... 1,038	
Food Products..... 12,441	
Manufactured goods..... 11,043	

*From "The Economics of Retailing," by Paul H. Nystrom

Comparison by Decades of the Number of Merchants, of Commercial Travelers, and of Total Persons in Trade and Transportation, with the Total Value of Manufactures and Imports

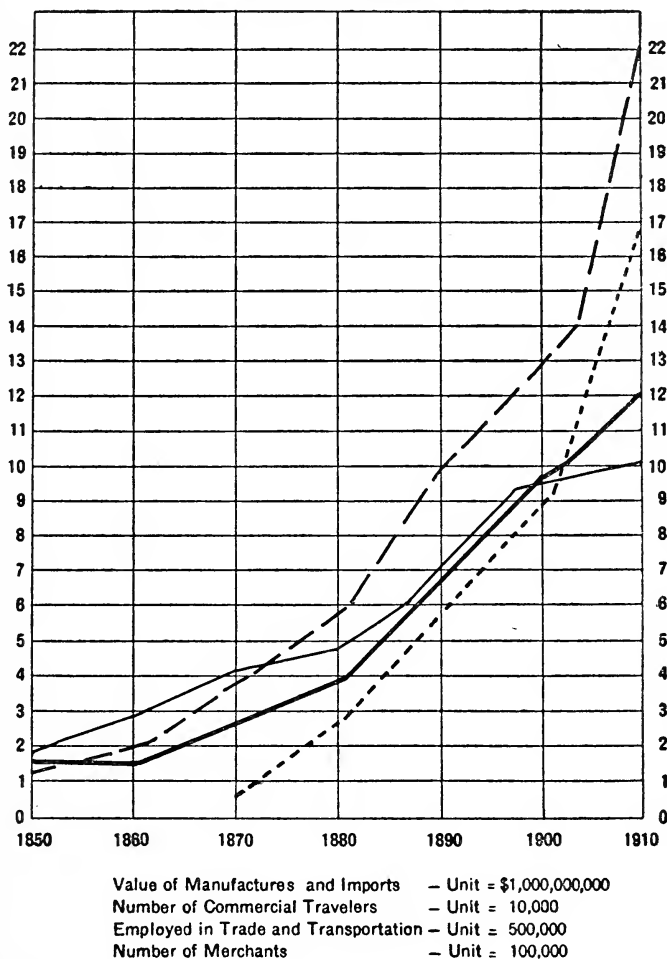


Figure 32: An interesting comparison by decades of the number of merchants, of commercial travelers, and of total persons in trade and transportation, with the total value of manufactures and imports; is reproduced from "The Economics of Retailing," by Paul H. Nystrom.

In the table presented below and on the upper portion of the opposite page, the total amount of goods manufactured and imported is compared with the total population of the United States and with the total number of persons em-

COMPARISON OF THE TOTAL AMOUNT OF GOODS
POPULATION AND WITH TOTAL NUMBER

	Manufac- tured goods (000,000 omitted)	Imports (000,000 omitted)	Total (000,000 omitted)	Number of retailers
1850.....	\$1,109	\$ 174	\$1,193	174,000
1860.....	1,886	331	2,217	268,000
1870.....	3,386	418	3,804	358,000
1880.....	5,370	446	5,816	479,000
1890.....	9,372	745	10,117	691,000
1900.....	13,000	697	13,697	833,000
1910.....	20,672	1,312	21,984	1,004,000

This table indicates about what ratio ought to prevail, normally, between the various classes of distributive agencies.

CLASSIFICATION OF TRADING CONCERNS IN
MASSACHUSETTS BY MANNER OF SELLING

	Number	Capital	Value of goods sold	Wages	Salaries
Retail... 24,522	\$120,065,311	\$444,984,052	\$849,075	78,206	
Whole-					
sale.... 3,315	109,952,787	510,016,634	359,150	152,492	
Jobbing. 480	16,777,443	81,017,798	56,926	32,924	
Commis-					
sion.... 570	24,255,758	253,670,922	48,048	29,711	
Export					
ing..... 12	237,500	2,492,083	389	627	
Import-					
ing..... 129	15,516,364	83,540,190	13,644	13,735	
Export-					
ing and					
import-					
ing..... 17	1,161,293	8,519,704	3,254	2,218	

played. Note that amounts represent millions—with the 000,000 omitted. Analyses of this sort have infrequently pointed out to distributors weak spots in their marketing plans or have indicated the need of investigations.

MANUFACTURED AND IMPORTED, WITH TOTAL OF PERSONS GAINFULLY EMPLOYED*

Year	Number of commercial travelers	Total number employed in trade and transporta- tion	Total number gainfully employed	Total popula- tion (000,000 omitted)
1850.....	.....	582,000	5,330,000	23
1860.....	.....	802,000	8,236,000	31
1870.....	7,000	1,244,000	12,506,000	39
1880.....	28,000	1,872,000	17,392,000	50
1890.....	59,000	3,326,000	22,736,000	63
1900.....	93,000	4,767,000	29,073,000	76
1910.....	164,000	6,252,000	38,167,000	92

The figures given in the following table indicate the percentage cost of selling by departments in New York department stores. The percentages are based on total sales. It is interesting to compare retail selling costs on various lines of merchandise. Helping dealers cut down this item of expense is a subject worth study of any manufacturer.

SELLING EXPENSE BY DEPARTMENTS IN NEW YORK DEPARTMENT STORES*

Departments	Average for three stores	Actual for one store in 1912	Actual for same store in 1913	Actual for same store in 1914
Books and stationery.....	9.0%	9.5%	9.4%	11.4%
Carpets, mat- tings, rugs...	8.9%	7.9%	7.2%	6.9%

*From the Dry Goods Economist, as adapted by Paul H. Nystrom.

SELLING EXPENSE BY DEPARTMENTS IN NEW
YORK DEPARTMENT STORES, Continued

Departments	Average for three stores	Actual for one store in 1912	Actual for same store in 1913	Actual for same store in 1914
China, glass- ware, lamps...	9.8%	11.1%	10.7%	11.6%
Clothing (men's and boys)....	8.9%	8.1%	8.1%	{6.6 Boys' 9.4 Men's
Corsets.....	5.8%	.....	.....	.....
Dress goods...	9.8%	12.6%	9.0%	9.7%
Furniture and bedding.....	8.0%	12.2%	9.9%	9.6%
Furs.....	6.3%	6.7%	9.9%	8.5%
Gloves.....	6.1%	5.7%	5.9%	5.8%
Groceries.....	9.4%	8.5%	8.5%	8.8%
Handkerchiefs	6.6%	6.8%	7.6%	6.9%
Hosiery.....	6.0%	6.3%	6.0%	6.4%
Infants' wear..	7.3%	5.0%	4.9%	5.3%
Jewelry, silver- ware, cutlery..	9.4%	9.3%	9.2%	10.0%
Laces, embroid- eries, veilings.	8.2%	8.5%	8.1%	8.5%
Leather goods.	6.4%	6.4%	6.9%	7.1%
Millinery.....	8.7%	.....	.....	.....
Muslin under- wear.....	6.5%	4.9%	5.4%	5.6%
Neckwear.....	8.8%	8.5%	8.3%	8.7%
Notions and art embroidery...	9.4%	7.7%	8.0%	8.6%
Pictures.....	10.8%	10.8%	11.3%	11.7%
Ribbons.....	9.4%	7.4%	6.2%	8.8%
Sewing ma- chines.....	8.3%	8.3%	12.3%	15.7%
Shoes (women's)....	9.7%	8.8%	9.0%	9.1%
Silks and velvets.....	8.4%	8.4%	8.4%	8.4%
Suits and coats (women's)....	8.0%	7.1%	7.0%	{8.1 Suits 7.4 Coats

SELLING EXPENSE BY DEPARTMENTS IN NEW
YORK DEPARTMENT STORES, Continued

Departments	Average for three stores	Actual for one store in 1912	Actual for same store in 1913	Actual for same store in 1914
Suits (misses').	7.7%	7.4%	7.7%	.....
Toilet goods, drugs, perfum- ery.....	7.8%	8.0%	7.8%	6.5%
Toys.....	12.9%	13.1%	13.9%	13.9%
Trimmings....	8.4%	9.3%	9.3%	10.6%
Umbrellas, par- asols, canes...	5.9%	4.7%	.....	.....
Underwear (knit).....	7.9%	6.2%	6.0%	{6.8 Men's 6.1 Women's
Upholsteries...	9.5%	9.4%	10.0%	10.0%
Waists and women's sweaters.....	7.7%	7.0%	6.8%	{6.7 Waists 4.9 Sweaters
Wash goods....	10.3%	9.9%	9.1%	9.4%
White goods, linens.....	7.6%	6.2%	5.7%	6.5%
Wrappers, kimonas.....	8.7%	7.0%	7.1%	7.7%

These tables, made up from reports obtained in a recent year, suggest the extent to which chain stores are becoming an independent distributive factor in several lines. The list of lines is growing very rapidly.

CHAIN STORES BY LINES

Line	Chains	Stores
Grocery.....	500	8,000
Tobacco.....	250	2,500
News-stands.....	200	2,500
Five-and-ten-cent, and so on.....	180	2,000
Oil, gasoline, and so on.....	5	2,000
Drug.....	200	1,400

Line, continued	Chains	Stores
Restaurants.....	100	1,400
Pianos and musical instruments.....	125	1,000
Sewing machines.....	2	1,000
Boots and shoes.....	50	700
Automobile accessories.....	50	650
Clothing.....	50	600
Dairies.....	40	550
Coal.....	40	500
Miscellaneous, other lines.....	100	500
Butchers.....	75	450
Dyeing and cleaning.....	45	400
Saloons.....	100	400
Shoeblack stands.....	100	400
Confectionery.....	40	315
Lumber.....	50	300
Laundries.....	45	275
Theaters.....	15	260
Dry goods, department stores, and so on	30	250
Hats.....	25	250
Jewelry.....	50	200
Women's cloaks, suits, and so on.....	25	150
Bakeries.....	25	125
Banks.....	32	125
Books.....	1	100
Furniture.....	16	100
Hotels.....	10	100
Men's furnishings.....	35	90
Hardware.....	15	80
Automobiles.....	10	70
Florists.....	15	60
Funeral directors.....	10	60
Trunks and bags.....	15	55
Sporting goods.....	3	53
Ticket agents.....	8	52
Penny arcades.....	10	50
Plumbing.....	10	35
Motor trucks.....	5	35
Stock feed.....	5	35
Optical.....	8	30
Phonographs.....	1	30
Barbers.....	5	25
Electric supplies.....	5	20
Corsets.....	5	18

Line, continued	Chains	Stores
Delicatessen.....	5	15
Wall paper.....	5	15
Gloves.....	3	10
Furs.....	2	6
Paper novelties.....	1	6
Fountain pens.....	1	4
Total.....	2,778	30,509

GROCERIES

	Total	Chains	Chain stores	Independent stores
Greater New York..	13,513	17	680	12,833
Chicago.....	7,510	10	130	7,380
Philadelphia.....	5,200	9	1,262	3,938
Boston.....	2,829	10	456	2,373

TOBACCO

	Total	Chains	Chain stores	Independent stores
Greater New York..	2,394	9	439	1,955
Philadelphia.....	2,350	5	45	2,305
Chicago.....	1,100	9	172	928
Boston.....	308	2	16	292

DRUGS

	Total	Chains	Chain stores	Independent stores
Greater New York..	2,281	11	82	2,199
Chicago.....	1,106	4	17	1,089
Philadelphia.....	921	12	53	868
Boston.....	314	6	34	280

FIVE-AND-TEN-CENT STORES

	Total	Chains	Chain stores	Independent stores
Greater New York..	225	15	50	175
Chicago.....	150	3	25	125
Philadelphia.....	145	4	20	125
Boston.....	32	2	7	25

ELEVEN YEARS IN RETAIL GROCERY TRADE,
GREATER NEW YORK

	1903	1914	Increase	Per cent
All stores.....	8,750	13,513	4,763	54
Chain stores.....	215	985	770	360

The advantages to manufacturers of the figures in the tables following are apparent. They deal intimately with several of the most pertinent problems of retail management. They help an outsider to grasp the retail point of view, and for those manufacturers who see in the assistance they can give to retail dealers an opportunity to build good will, the retail point of view is practically a necessity.

Figures are of little value in themselves. Yet just as soon as you have sets of figures which are in any way comparable, you have, the chances are, a key to some interesting facts. In a word, accurate figures are a starting point rather than an end.

Right here many retailers fall down, and it may be that one of the greatest helps manufacturers can give to retailers is in teaching them how to use figures. Too many retailers have installed cost-accounting systems, and then thrown them out again, mainly because they did not know what to do with the information supplied by their systems.

To come back to ways by which manufacturers may use the figures presented here, investigation frequently has brought to light instances of manufacturers' salesmen pointing out to some of their retail customers ways and means for cutting down overhead and thereby increasing profits. Not a few of the stores involved were actually saved from financial difficulties and were put on sounder footings by means of advice furnished by manufacturers—advice built on study of just such figures as those which follow.

Wages for selling apparently are comparatively low for grocery, furniture, and variety stores in proportion to sales. This is because these lines are characterized either by very frequent small sales or fairly numerous sales at a high average amount for each sale. Local conditions, of course, frequently vary these figures one way or the other.

AVERAGE PERCENTAGE FOR SALARIES OF
SALESPeOPLE (SYSTEM, February, 1914)

Groceries.....	7.96%
Furniture.....	8.73%
Variety stores.....	8.86%
Clothing.....	9.49%
Dry goods.....	9.65%
Hardware.....	10.11%
Shoes.....	10.51%
Drugs.....	10.93%
Jewelry.....	10.96%

The number of times a retailer turns his stock is coming to be a widely accepted measure of his merchandising skill. Even so, many retailers fail to recognize the importance of average rate of turnover statistics for their own lines.

The figures given below are averages applying exclusively to department stores, and were obtained by the National Dry Goods Association.

Line	Average number of turnovers obtained annually
Candy.....	13.27
Skirts and petticoats.....	7.22
Millinery.....	6.63
Coats, suits, and dresses.....	5.5
Stoves, refrigerators, and cookers.....	5.45
Shirtwaists.....	5.14
Patterns.....	5.05
Furs.....	4.55
Children's wear.....	4.45
Corsets.....	4.43
Toys and books.....	4.42
Umbrellas.....	4.38
Sewing machines.....	4.37
Neckwear and handkerchiefs.....	4.26
Wash goods.....	4.17
Notions.....	3.97
Linings.....	3.77
White goods.....	3.76
Hosiery.....	3.65
Furniture.....	3.65

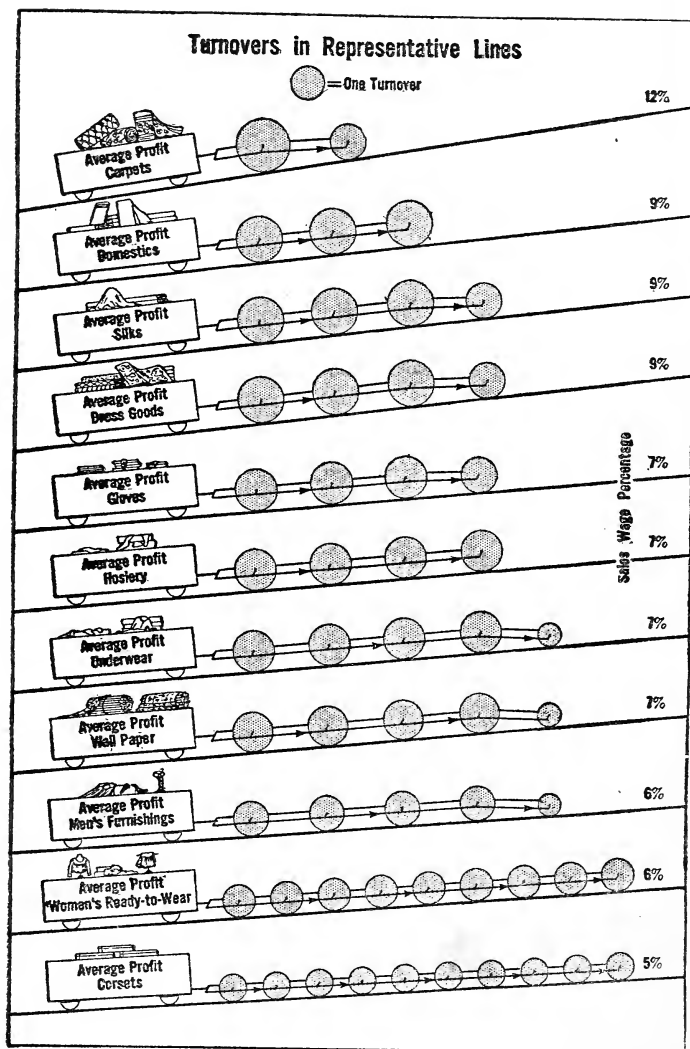


Figure 33: To pull what is considered a fair profit for these lines up the grade of the cost of doing business, requires on an average the number of turnovers here represented by circles. Corsets, you will note, have the lowest percentage of profit and the highest rate of turnover.

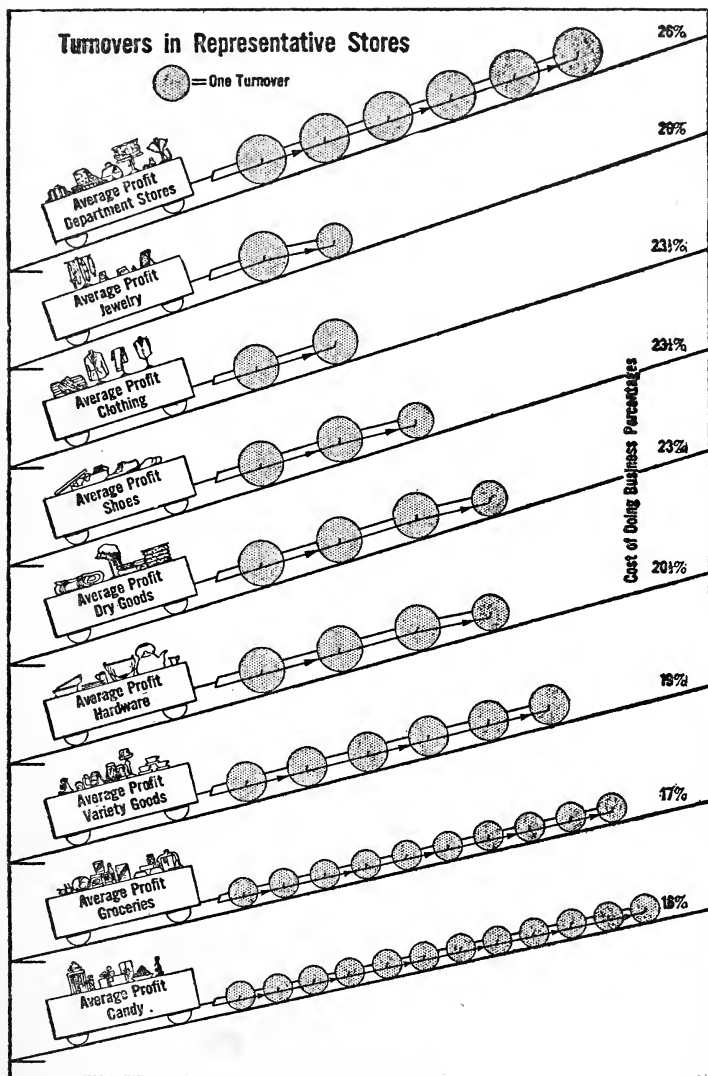


Figure 34: These circles indicate turnovers and vary in size roughly according to relative net profits. When two sizes of circles appear for the same line, as in "dry goods" and "hardware," the smaller represents fractions of turnovers. This is also true of the chart shown in Figure 33.

Line, continued	Average number of turnovers obtained annually
Jewelry, toilet goods, bags, and belts.....	3.45
Linens.....	3.40
Trunks and bags.....	3.39
Hair goods.....	3.22
Muslin underwear.....	3.20
Table linen and towels.....	3.09
Ribbons.....	3.01
Gloves and veilings.....	2.96
Silks.....	2.91
Dress goods.....	2.90
Knit underwear.....	2.89
Wall paper and decorations.....	2.88
Men's furnishings.....	2.73
Boys' clothing.....	2.56
Men's clothing.....	2.53
Laces.....	2.50
Infants' wear.....	2.41
Art goods and needlework.....	2.34
Embroideries and trimmings.....	2.26
Rugs, carpets, and linoleums.....	2.18
Shoes and rubbers.....	2.18
China, glass, and house furnishings.....	2.03

Individual conditions vary the number of turns secured in specific stores. The standards given in this table therefore require modification when local influences are unusual. The turns obtained in a large department store and in a country general store will differ because of the heavy buying power touched by the city store and its managers' skill. These turnover averages are from several large department stores and a score or more departmentalized concerns in country districts.

Line	Number of turns obtained annually:	
	City depart- ment stores	Country gen- eral stores
Books.....	4	1.5
Candy.....	15	9
Clocks.....	2.5	1

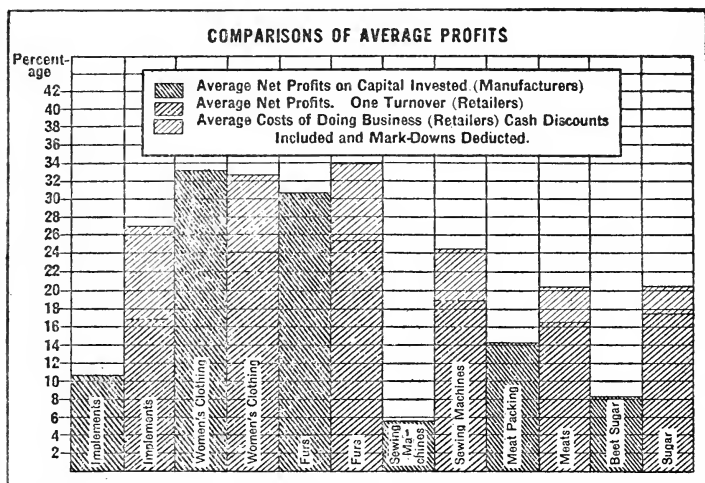


Figure 35: The average profits and costs of retailers and manufacturers compared here show that distributors must stand up for fair profits in order to secure for themselves gains equal to those of the manufacturer.

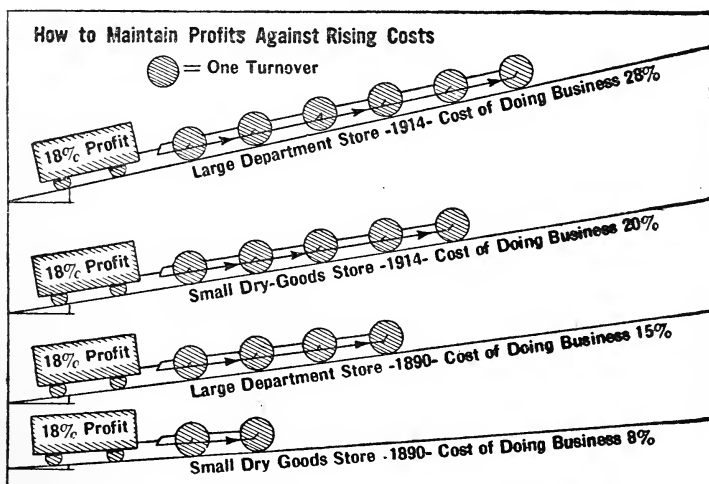


Figure 36: This chart analyzes the tendency that dominates modern merchandising. Retailers now strive to equal with a number of small profits the single generous gain that could be taken in years gone by.

Line, continued	Number of turns obtained annually:	
	City department stores	Country general stores
Embroideries.....	3.5	3
Furs.....	5	3
Infants' clothing.....	5	3
Laces.....	4	2
Linens.....	3.5	2
Men's hats.....	7	4
Pianos.....	9	4
Ribbons.....	6	2
Stationery.....	5	2
Umbrellas and canes.....	11	3
Trunks.....	5	1.5
Veilings.....	5.5	2
Wash goods and flannels.....	5	3.2

National stock-turn averages from over 700 American stores were figured to give the averages for the 10 standard types shown in this list. The turnovers are for the complete stocks and have no reference to either the character or the number of the lines carried.

Type of store	Average number of turnovers obtained annually
Grocery.....	10
Department.....	7
Variety goods.....	6
Drug.....	4.5
Dry goods.....	4
Hardware.....	3.5
Furniture.....	3
Shoe.....	2.1
Clothing.....	2
Jewelry.....	1.5

From the books of several hundred stores carrying departmentalized stocks, averages for 12 standard lines were obtained as shown in the table on page 116.

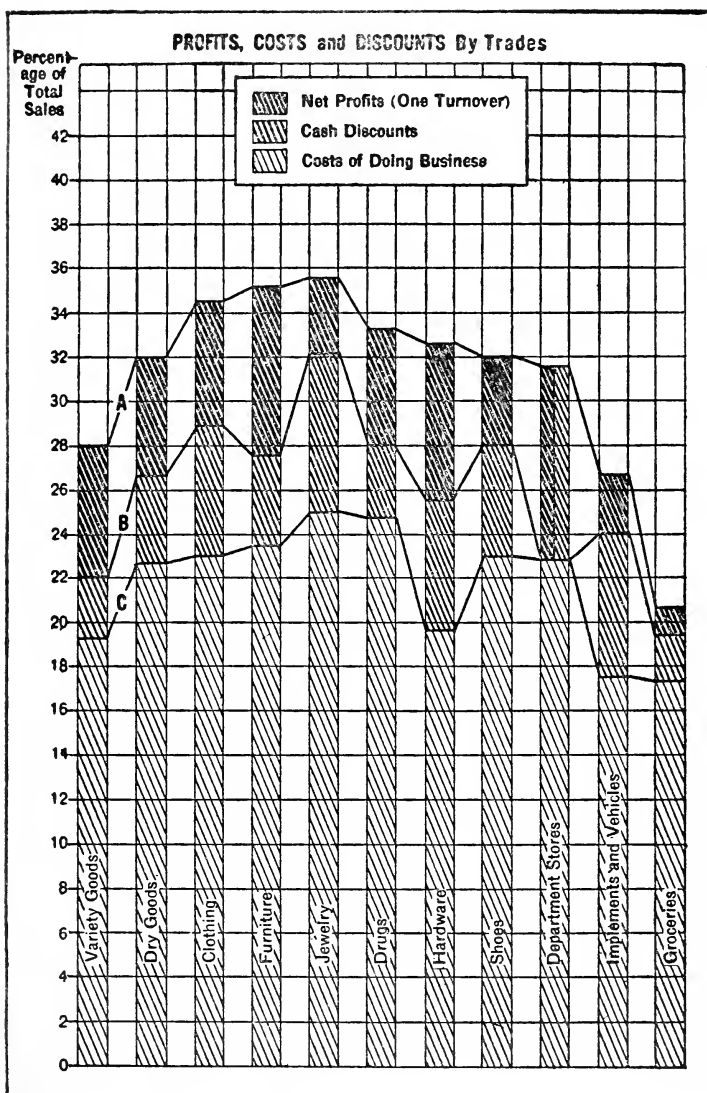


Figure 37: It will be readily noted that the department store figures shown in this chart, which give net profits, costs, and discounts by trades, are unusual. This condition exists because in many large stores the cash discounts pay part of the costs and often all of the net profits.

Line	Average number of turnovers obtained annually
Notions.....	9
Corsets.....	8
Women's ready-to-wear.....	6
Wall paper.....	4.2
Men's furnishings.....	4.2
Underwear.....	4.1
Hosiery.....	4
Gloves.....	3.5
Dress goods.....	3.2
Silks.....	3.1
Domestics.....	3
Carpets.....	1.5

PROFITS IN 60 LINES AND TRADES

Each of the percentages assembled here gives gross profits for an actual line, store, or manufacturing plant. All the distributive channels are included. By combining the figures it is possible, in several instances, to obtain a rough estimate of the cost of getting certain lines from the factories to the consumers' doors. All percentages are based on total sales.

TYPICAL GROSS PROFITS

	Per cent
American Family Soap (at full price).....	16.36
Barrington Hall Coffee (at full price).....	20
Borden's Eagle Milk (at full price).....	13.33
Campbell's Soup (at full price).....	25
Chain grocery stores (three) (49.5% reported by the Association for Improving conditions of the Poor).....	15 to 49.5
Clothing stock (southern store).....	20 (average)
Collar stock (men's), New York City (cost of doing business, 29%).....	26
Cotton dress goods stock.....	32 to 41
Cream of Wheat (at full price).....	16.66
Dr. Price's Baking Powder (at full price).....	23.33
Fels Naphtha Soap (at full price).....	20

TYPICAL GROSS PROFITS, Continued

	Per cent
Furniture store (operating cost, 31%).....	49
Grocery store (cost of doing business, 20%) (Sales, \$101,877.00).....	25 (average)
Hat stock (men's).....	39 (average)
Hardware (large store).....	33.33 (average)
Hardware line (jobber made 17%).....	31
Hardware store (town of 2,000; cost of doing business, 25%).....	37.5 (average)
Instalment hardware line.....	62
Ivory Soap (at full price).....	20
Kellogg's Toasted Corn Flakes (at full price)	22.33
Large department store (seven year average)	24.5
Malt Breakfast Food (at full price).....	16.66
Mail-order house (largest in the world).....	25 (average)
Meat line (No. 2 loin).....	33.33
Meat line (ribs).....	40
Meat line (500 lb. steer—cost 13½¢ per lb.; sold for 14½¢ to 16¢ per lb.).....	12
Neckwear stock (New York City—used as a “loss leader”).....	26
Pet Milk (at full price).....	13.33
Pillsbury's Best Breakfast Food (at full price).....	16.66
Quaker Oats (at full price).....	21.7
Ralston Breakfast Food (at full price)....	16.66
Ready-made clothing lines (Tariff Board) ..	33.33
Restaurant menu (highest profits taken on salads and pastries; lowest on meats)....	0 to 300
Royal Baking Powder (at full price).....	20.84
Rumford Baking Powder (at full price)...	23.31
Shredded Wheat Biscuits (at full price)...	20
Shoe store (\$5—\$6 lines at retail)	25 to 33.33
Shoe store (\$6—\$15 lines at retail).....	45 (average)
Shoe store (\$4.50 shoes cost \$2.40 and \$2.65; \$5.00 shoes cost \$2.85 and \$3.25).....	40 (average)
Syrup line (at full price).....	18
Uneda Biscuits (at full price).....	16.66
Variety goods bargain basement.....	15 to 25
Variety goods store (average cost 5¢ articles, 40¢ a doz.; average cost 25¢ articles, \$2.00 a doz.).....	25 to 33.33

TYPICAL NET PROFITS OF RETAIL STORES

	Per cent
Wesson Salad Oil (at full price).....	20
Cash grocery.....	3 to 5
Clothing stock (southern store).....	4
Commissary and general store.....	8 to 10
Dry good stores (small town).....	10 to 12
Dry goods stores (large city).....	5 to 7
Furniture stock.....	18
Grocery.....	4 to 5
Hardware store (town of 5,000).....	12.5
Large department store (average for seven years)..<	3.1
Mail-order houses (average three years; operating cost of largest concerns, 15%).....	6.8
Variety goods store.....	10 to 12
Variety goods bargain basement.....	5 to 10

In the preceding table are given typical net profits for 12 types of retail stores. You will readily note that stores such as groceries and large department stores, which ordinarily have a more rapid rate of turnover, have the smallest net profit. This is in line with the contention of many experts that it is better business to take small profits and rapid turnovers than to rely on higher mark-ups.

TYPICAL GROSS PROFITS OF LARGE
DEPARTMENT STORES

	Per cent
Art goods or needlework.....	28
Blankets, comforters, pillows, and so on.....	27
Cameras.....	26
China or glassware.....	32
Clocks and watches.....	28
Colored dress goods.....	28
Harness.....	31
Infants' clothing.....	30
Leather goods.....	32
Linings.....	32
Neckwear (women's).....	29
Notions.....	31
Trimmings.....	28
Upholstery.....	33

PROFITS, COSTS, AND DISCOUNTS By Lines

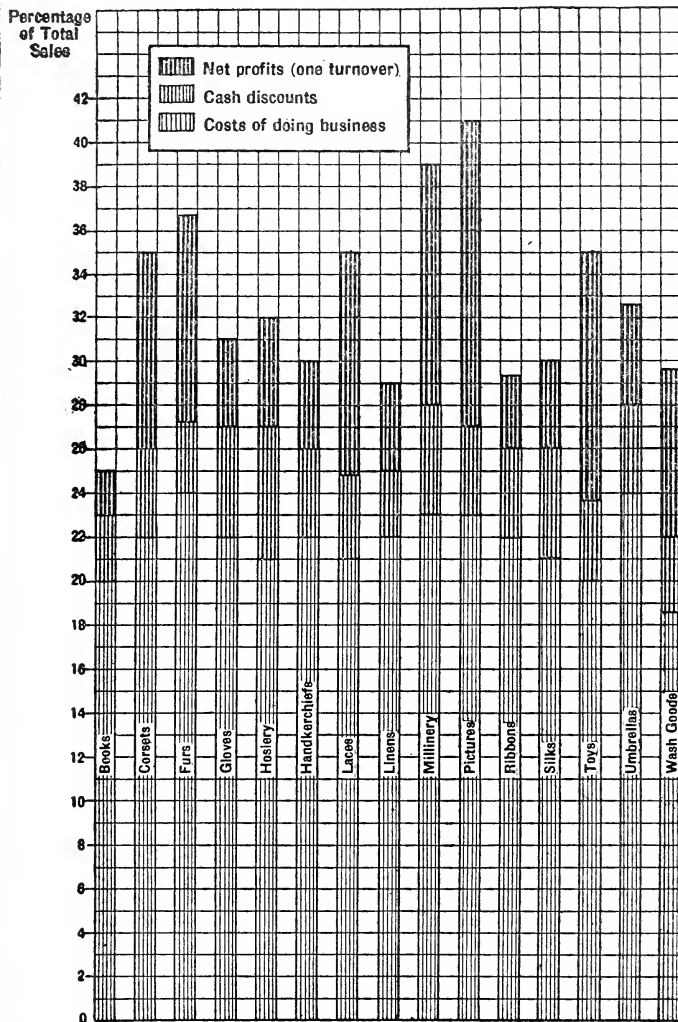


Figure 38: This chart and the one given in Figure 37 show graphically the average profits, costs, and discounts, gathered by various organizations and individual investigators, for the lines indicated. The three shades, dark, medium, and light, indicate profits, costs, and discounts.

TYPICAL PROFITS AND COSTS BY TRADES

These figures supply only net gains on sales, but the profits on the investments may easily be figured from the data given. The method used covers roughly all losses from mark-downs and unknown sources. The number of stock turns becomes apparent when the averages of the two inventories are divided into the sales at cost. In figuring rates of turnover the average amount of capital invested is usually divided into the net sales. Of course circumstances may necessitate a slight variation from this method, but fundamentally a strict observance of this procedure is the only sound method.

FOR A GROCERY STORE

A grocery in the South submitted these figures—they are reasonably typical of a prosperous grocery business. The small stock investment is the most marked characteristic, as you will note.

Advertising and donations.....	\$ 1,275.50
Bad debts.....	492.66
Delivery.....	3,410.85
Depreciation and shrinkage.....	961.10
General expenses.....	942.75
Heat and light.....	475.20
Insurance and taxes.....	844.56
Interest on investment, at 6%.....	630.00
Rent.....	2,865.00
Salaries (including owner's).....	7,842.94
Supplies.....	385.61
Total.....	\$20,126.17
Stock, first of year, at cost.....	\$ 7,341.60
Purchases for year, at cost.....	73,021.45
	<u>\$80,363.05</u>
End of year stock at cost.....	6,998.11
Sales, at cost.....	<u>\$73,364.94</u>
Actual income from sales.....	96,243.75
Gross profit.....	<u>\$22,878.81</u>
Total expenses, as itemized above.....	20,126.17
Net profit.....	<u>\$ 2,752.64</u>

FOR A DRUG STORE

The owner of a store in New England thought he was doing well until he found that he must take out the interest on his investment, and his salary, before figuring his net profit.

Advertising and donations.....	\$ 1,204.81
Bad debts.....	106.15
Delivery.....	299.06
Depreciation and shrinkage.....	210.62
General expenses.....	587.44
Heat and light.....	462.25
Insurance and taxes.....	492.14
Interest on investment at 6%.....	900.00
Rent.....	2,400.00
Salaries (including owner's).....	4,952.70
Supplies.....	241.11
Total	<u>\$11,856.82</u>
Stock, first of year, at cost.....	\$ 8,120.16
Purchases for year, at cost.....	29,711.02
	<u>\$37,831.18</u>
End of year stock, at cost.....	7,902.10
Sales, at cost.....	<u>\$29,929.08</u>
	<u>\$37,831.18</u>
Actual income from sales.....	42,106.52
Gross profit.....	<u>\$12,177.44</u>
Total expenses, as itemized above.....	11,856.28
Net profit.....	<u>\$ 321.16</u>

FOR A JEWELRY STORE

It is interesting to compare these figures from the books of a middle western jeweler with those given on page 124, from a shoe store having about the same sales volume.

Advertising and donations.....	\$ 2,400.91
Bad debts.....	171.54
Delivery.....	289.25
Depreciation and shrinkage.....	821.22
General expenses.....	405.25
Heat and light.....	592.61
Insurance and taxes.....	1,185.16

FOR A JEWELRY STORE, Continued

Interest on investment at 6%	\$ 2,962.85
Rent	3,500.00
Salaries (including owner's)	9,872.91
Supplies	738.50
Total	<u>\$22,940.20</u>
Stock, first of year, at cost	\$38,210.90
Purchases for year, at cost	54,782.45
	<u>\$92,993.35</u>
End of year stock, at cost	37,466.21
Sales, at cost	<u>\$55,527.14</u>
Actual income from sales	80,942.56
Gross profit	<u>\$25,415.42</u>
Total expenses, as itemized above	22,940.20
Net profit	<u>\$ 2,475.22</u>

FOR A DEPARTMENT STORE

Advertising and donations	\$ 113,209.25
Bad debts	5,691.95
Delivery	81,211.01
Depreciation and shrinkage	20,319.12
General expenses	60,904.88
Heat and light	31,843.60
Insurance and taxes	23,191.40
Interest on investment (6%)	37,210.84
Rent	121,670.80
Salaries (including owner's)	241,625.61
Supplies	27,204.51
Total	<u>\$ 764,082.97</u>
Stock, first of year, at cost	\$ 309,750.12
Purchases for year, at cost	2,167,101.40
	<u>\$2,476,851.52</u>
End of year stock, at cost	310,461.83
Sales, at cost	<u>\$2,166,389.69</u>
Actual income from sales	2,881,246.17
Gross profit	<u>\$ 714,856.48</u>
Total expense, as itemized above	764,082.97
Apparent loss	<u>\$ 49,226.49</u>
Discounts	231,216.45
Net profit	<u>\$ 181,989.96</u>

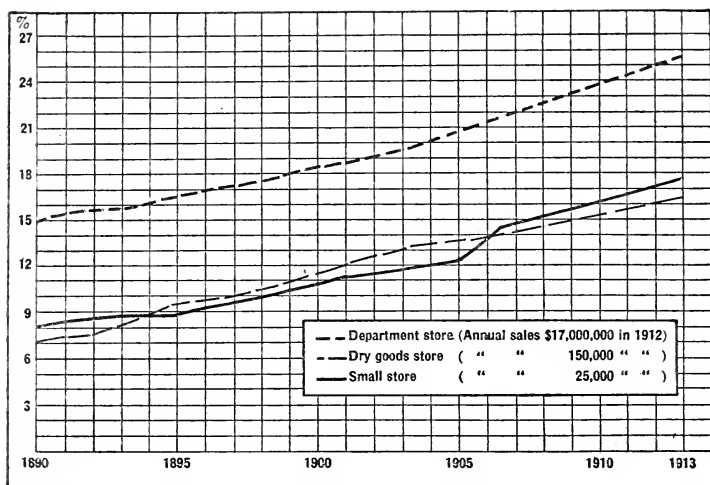


Figure 39: Here costs of doing business are shown to have advanced with almost equal rapidity in both large and small stores, for the three lines, each representing an actual retail concern, are practically parallel.

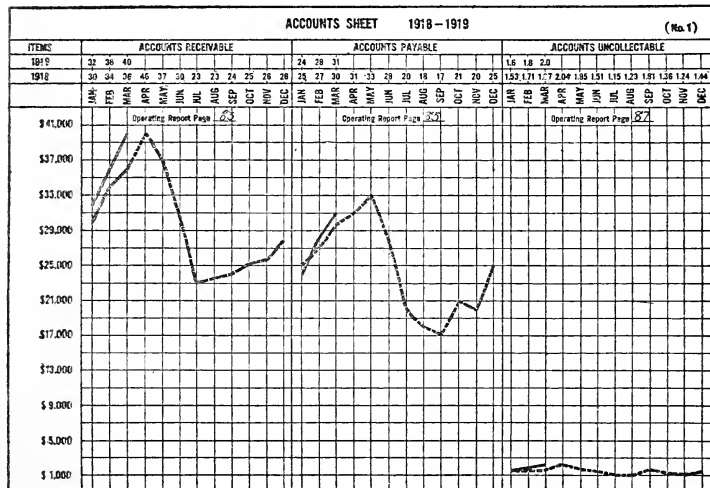


Figure 40: This simple chart provides one executive with important facts about his business. The lines shown tell him how bills and accounts receivable, payable, and collectable compare with last year's.

FOR A HARDWARE STORE

This table is made up from indicative figures representing the opinions of several credit managers, and facts submitted by scores of individual stores.

Advertising and donations.....	\$ 210.80
Bad debts.....	208.60
Delivery.....	156.50
Depreciation and shrinkage.....	180.00
General expense.....	110.00
Heat and light.....	100.50
Insurance and taxes.....	180.50
Interest on investment at 6%.....	720.00
Rent.....	720.00
Salaries (including owner's).....	2,748.00
Supplies.....	56.10
Total.....	<u>\$ 5,391.00</u>
Stock, first of year, at cost.....	\$ 7,810.60
Purchases for year, at cost.....	26,410.20
	<u>\$34,220.80</u>
End of year stock, at cost.....	8,010.10
Sales, at cost.....	<u>\$26,210.70</u>
Actual income from sales.....	34,073.91
Gross profit.....	<u>\$ 7,863.21</u>
Total expenses as itemized above.....	5,391.00
Net profit.....	<u>\$ 2,472.21</u>

FOR A SHOE STORE

That expenses in this New York state shoe store are about normal is established by investigations made by the Harvard Graduate School of Business Administration, trade organizations, and SYSTEM.

Advertising and donations.....	\$ 2,008.41
Bad debts.....	98.60
Delivery.....	264.82
Depreciation and shrinkage.....	401.14
General expenses.....	1,645.75
Heat and light.....	402.88
Insurance and taxes.....	892.15
Interest on investment at 6%.....	1,740.00
Rents.....	<u>2,400.00</u>

FOR A SHOE STORE, Continued

Salaries (including owner's)	\$ 8,106.50
Supplies	371.25
Total	<u>\$18,331.50</u>
Stock, first of year, at cost	\$24,680.42
Purchases for year, at cost	51,414.55
	<u>\$76,094.97</u>
End of year stock, at cost	22,365.86
Sales, at cost	<u>\$53,729.11</u>
Actual income from sales	72,498.24
Gross profit	<u>\$18,769.13</u>
Total expenses, as itemized above	18,331.50
Net profit	<u>\$ 437.63</u>

DEPRECIATION AND SHRINKAGE LOSSES

Losses from depreciation and shrinkage include depreciation on all equipment, irregular losses from stock, and stock depreciation not regularly covered by routine mark-downs. These figures are averages for lines, and give standards helpful in approximating the reasonableness of individual losses. Among 91 merchants interviewed no agreement appeared on methods for figuring depreciation. They all check direct shrinkage by watchfulness at the counters and in the receiving rooms, and by handling stock subject to rapid depreciation with unusual care, supplemented with the advice of manufacturers.

Line	Percentage of total net sales
Clothing	2.16%
Furniture	2.14%
Department stores	1.61%
Dry goods	1.11%
Jewelry .....	.95%
Groceries .....	.76%
Vehicles and implements .....	.62%
Hardware .....	.52%
Shoes .....	.50%
Drugs .....	.47%
Mail-order houses .....	.12%
Variety goods .....	.06%

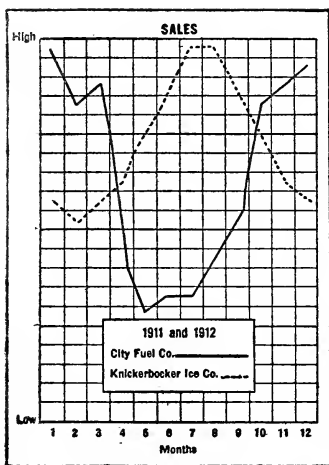


Figure 41: By combining two non-competing companies better use of equipment and labor resulted.

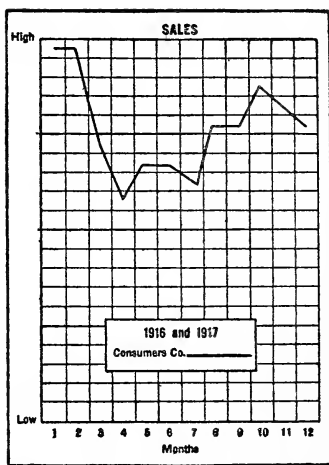


Figure 42: This chart shows that since the combination, the month-by-month fluctuation is reduced.

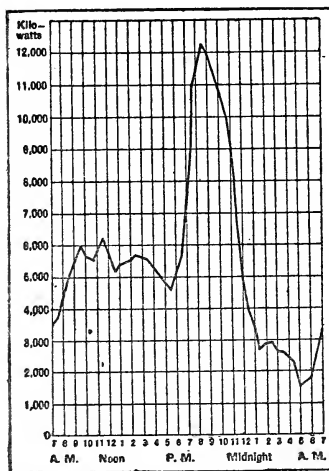


Figure 43: These charts show production of electricity in a power plant, on days five years apart.

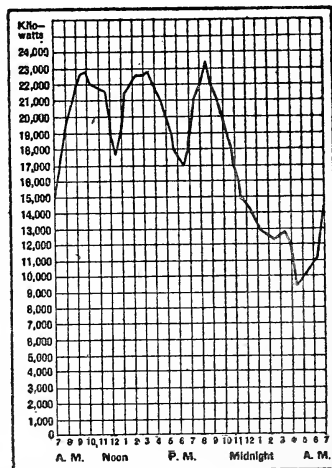


Figure 44: Note how much less hourly fluctuation there is in this production chart than in Figure 43.

Supply bills amounting to less than one-half of one per cent of the net sales in most lines and scattered over many items, offer a temptation to spend unnecessarily. Even though the amount of money involved in each instance may be small, the aggregate is worth attention.

COST OF SUPPLIES

Line	Percentage of total net sales
Jewelry.....	.89%
Hardware.....	.60%
Clothing.....	.43%
Vehicles and implements.....	.42%
Furniture.....	.41%
Dry goods.....	.38%
Groceries.....	.37%
Drugs.....	.36%
Mail-order houses.....	.34%
Department stores.....	.32%
Boots and shoes.....	.30%
Variety goods.....	.21%

It is worth noticing that in but a few instances is the expense item of heat, light, and power found to be in excess of 1% of the net sales. Below this 1%, because different stocks require varying amounts of light, a wide range of percentages appear. These are averages for the various lines, and give forms against which similar expenses may be advantageously checked in a general way.

HEAT, LIGHT, AND POWER COSTS

Line	Percentage of total net sales
Shoes.....	1.10%
Furniture.....	.92%
Variety goods.....	.81%
Drugs.....	.69%
Clothing.....	.62%
Jewelry.....	.61%

HEAT, LIGHT, AND POWER COSTS, Continued

Line	Percentage of total net sales
Dry goods.....	.54%
Vehicles and implements.....	.51%
Hardware.....	.43%
Groceries.....	.39%
Department stores.....	.22%
Mail-order houses.....	.11%

General expense includes, under this classification, buying expenses, salaries which cannot be definitely located, and miscellaneous general cost, such as returned goods expense or freight overcharges. The interest on the investment is figured on the average amount of capital actively used in the business. The cost of these charges, averaged from the books of a thousand-odd stores throughout the country, gives the following percentages of the total net sales volumes in the 12 retail lines investigated.

Although general expenses will vary with the local conditions encountered in each competitive field, these averages offer standards against which to check roughly the expenses remaining after dealing with the main items.

GENERAL EXPENSE

Line	Percentage of total net sales
Department stores.....	6.38%
Drugs.....	4.49%
Shoes.....	4.36%
Dry goods.....	4.15%
Jewelry.....	3.95%
Mail-order houses.....	2.42%
Clothing.....	2.31%
Hardware.....	2.01%
Furniture.....	1.10%
Variety goods.....	.91%
Vehicles and implements.....	.71%
Groceries.....	.45%

To fix the amount to put away as a reserve and the figure that will measure normal losses, requires standards which cross-section hundreds of going stores. Averages that merge individual characteristics into normal percentages then appear. Careful investigators have analyzed credit figures from the books of about 1,000 stores. The resulting standards, after allowance has been made for unusual local factors, supply a rough check for gaging retail credit methods and determining the proper reserves. These standards represent percentages of the net total sales and refer only to totals of accounts actually written off the books as worthless.

BAD DEBT LOSSES

Furniture.....	1.94%
Groceries.....	.47%
Clothing.....	.34%
Vehicles and implements.....	.33%
Hardware.....	.31%
Jewelry.....	.21%
Dry goods.....	.21%
Department stores.....	.19%
Drugs.....	.19%
Shoes.....	.10%
Variety goods.....	no loss

The "assumed price" includes a complete vehicle with the average type of body. Increases or decreases in these prices, which are not radical, will not seriously alter the operation charges. These figures were presented before the Electric Vehicle Association of America by William P. Kennedy.

WHAT IT COSTS TO DELIVER BY ELECTRICITY

Capacity, lbs.....	700	1,000	2,000	3,000
Assumed price.....	\$1,500	\$2,200	\$2,600	\$3,000
Fixed charges—				
Interest at 6%.....	\$ 90	\$132	\$156	\$180
Depreciation at 10%.....	150	220	260	300
Fire insurance at 1%.....	15	22	28	30
Liability insurance....	100	100	100	100
	<u>\$355</u>	<u>\$474</u>	<u>\$544</u>	<u>\$610</u>

WHAT IT COSTS TO DELIVER BY ELECTRICITY

(Continued)

Maintenance—

Battery upkeep.....	\$170	\$180	\$200	\$240
Tire upkeep.....	119	158	212	225
Mechanical parts upkeep.....	50	60	80	90
	<u>\$339</u>	<u>\$398</u>	<u>\$492</u>	<u>\$555</u>

Garaging—

Electric power.....	\$120	\$140	\$170	\$240
Storage and washing..	180	180	180	180
Garage labor.....	100	120	160	180
	<u>\$400</u>	<u>\$440</u>	<u>\$510</u>	<u>\$600</u>

Annual operating cost...\$1,094 \$1,312 \$1,546 \$1,765

Daily cost (312 days) . . . \$3.51 \$4.20 \$4.85 \$5.66

Drivers, daily pay..... 2.00 2.00 2.50 2.50

Total daily cost.... \$5.51 \$6.20 \$7.35 \$8.16

Capacity, lbs..... 4,000 7,000 10,000

Assumed price.....\$3,400 \$4,000 \$4,500

Fixed charges—

Interest at 6%.....	\$204	\$240	\$270
Depreciation at 10%.....	340	400	450
Fire insurance at 1%.....	34	40	45
Liability insurance.....	100	100	100
	<u>\$678</u>	<u>\$780</u>	<u>\$865</u>

Maintenance—

Battery upkeep.....	\$285	\$365	\$ 415
Tire upkeep.....	306	340	575
Mechanical parts upkeep.....	100	125	150
	<u>\$691</u>	<u>\$830</u>	<u>\$1,140</u>

Garaging—

Electric power.....	\$300	\$360	\$400
Storage and washing.....	180	180	180
Garage labor.....	200	250	300
	<u>\$680</u>	<u>\$790</u>	<u>\$880</u>

Annual operating cost.....\$2,049 \$2,500 \$2,885

Daily cost (312 days)..... \$6.57 \$ 8.01 \$ 9.25

Drivers, daily pay..... 2.50 3.00 3.00

Total daily cost..... \$9.07 \$11.01 \$12.25

These national delivery cost standards, which include wages and all items directly connected with deliveries, give averages for the country against which individual figures may be checked for extreme variations from normal conditions. An absolute check on individual delivery expenditures is, of course, impossible without allowance for widely varied local factors and conditions.

DELIVERY COST STANDARDS

	Percentage of sales
Groceries.....	2.53%
Department stores.....	2.01%
Vehicles and implements.....	1.06%
Dry goods.....	1.02%
Furniture.....	.94%
Hardware.....	.91%
Clothing.....	.65%
Drugs.....	.51%
Shoes.....	.46%
Jewelry.....	.09%
Variety goods.....	No deliveries

Figures drawn from over 1,000 stores are back of these advertising cost averages, which are percentages of net sales and include all types of advertising normally paid for by retailers—letters, catalogs, decorating windows, newspaper space, time used, and so on.

ADVERTISING COSTS

Groceries.....	.83%
Hardware.....	1.12%
Vehicles and implements.....	1.22%
Variety goods.....	1.52%
Shoes.....	1.65%
Dry goods.....	1.67%
Drugs.....	1.76%
Furniture.....	2.72%
Jewelry.....	2.85%
Clothing.....	3.16%
Department stores.....	4.01%
Mail-order houses.....	7.21%

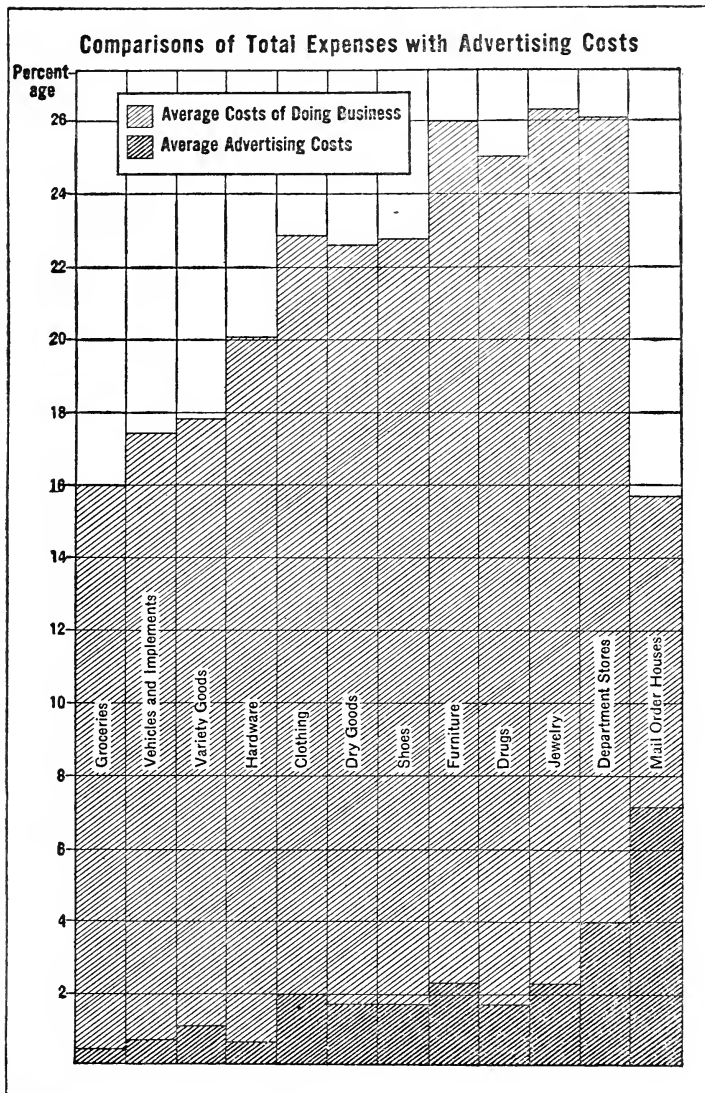


Figure 46: These comparisons of average advertising costs with total costs of doing business indicate that lines which turn quickly under low costs spend the least for advertising. Department stores, however, strive for large volume in order to cover heavy operating expenses.

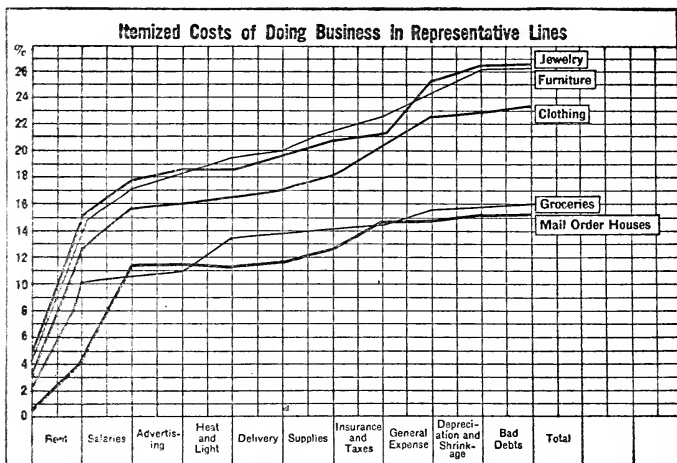


Figure 47: Each line in this chart represents itemized costs of doing business for a retail line. As the lines progress to the right, the various items of expense are added, until total operating costs result.

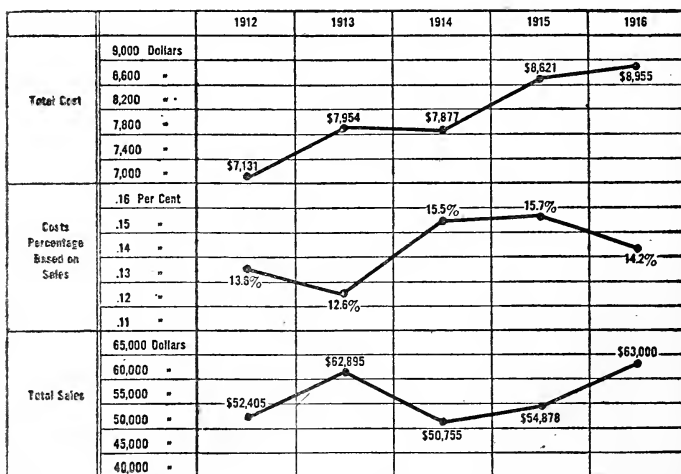


Figure 48: Here is shown the relation of costs to sales. The upper graph marks total costs and the lower total sales. The middle graph shows the ratio between the costs and sales for each of the years.

It is to be expected that valuable furniture and jewelry stocks, and drug inventories containing highly inflammable goods, cost more than usual to insure, and make the insurance percentages paid by retailers of these lines heavy. Clothing, department store, and dry goods stocks are also large, and frequently valuable. Therefore, insurance charges on them naturally average higher than among the bulky or less expensive goods handled by grocery, hardware, vehicle, variety, and implement stores. These conditions are substantiated by the percentages of retail sales spent for insurance and taxes, as presented here.

INSURANCE COSTS

	Percentage of net sales volume
Groceries.....	.58%
Mail-order houses.....	.98%
Variety goods.....	.98%
Hardware.....	.99%
Department stores.....	1.01%
Shoes.....	1.03%
Implements and vehicles.....	1.04%
Clothing.....	1.07%
Dry goods.....	1.08%
Drugs.....	1.21%
Jewelry.....	1.32%
Furniture.....	1.57%

Cost of doing business and profits from 38 stores in cities ranging in population from 7,500 to 300,000 or over, in 24 states, are here analyzed. These figures were collected by the National Dry Goods Association, and a number of interesting facts will be brought out by a few moments' study of them. Notice, for instance, that the lowest costs join with the highest net profits in the larger cities. The averages for all of the stores in the 24 states are: gross profit, 30.45%; net profit, 6.45%; cost of doing business, 23.8%. It should be understood that these percentages refer only to dry goods stores. The figures which established these averages were carefully audited by experts.

COSTS AND PROFITS FROM 24 STATES

GROSS PROFITS

(States with five highest percentages)

Kentucky.....	33.86%	Alabama.....	30.50%
Minnesota.....	33.30%	Virginia.....	31.41%
Tennessee.....	33.12%		

AVERAGE COST OF DOING BUSINESS

(States with six highest average percentages)

Tennessee.....	27.34%	Nebraska.....	26.83%
Indiana.....	27.00%	Alabama.....	25.94%
Minnesota.....	27.00%	Texas.....	25.58%

AVERAGE NET PROFITS

(States with six highest average percentages)

Utah.....	11.00%	Louisiana.....	9.40%
Kentucky.....	10.66%	Michigan.....	8.00%
West Virginia.....	9.80%	New York.....	6.00%

AVERAGE GROSS PROFITS

(By population and locality)

75,000-100,000 population.....	33.23%
15,000-25,000 population.....	31.29%
100,000 and over, population.....	31.07%
50,000-75,000 population.....	30.20%
25,000-50,000 population.....	30.00%
Farming districts.....	31.80%
Manufacturing and farming localities.....	30.00%
Resorts.....	29.95%
Manufacturing centers.....	29.88%

AVERAGE COSTS OF DOING BUSINESS

(By population and locality)

300,000, and over, population (lowest).....	21.25%
75,000-100,000 population (highest).....	27.03%
Shipping centers.....	24.88%
Farming districts.....	25.52%
Resorts.....	24.00%
Manufacturing centers.....	23.22%

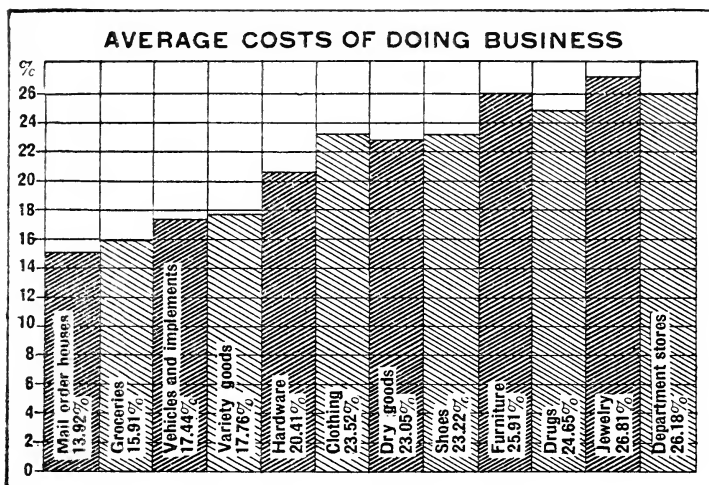


Figure 49: Comparison of this chart of costs with that in Figure 50 demonstrates that department stores, purchasing for rapid clearances, overcome high costs by taking small net gains on numerous turnovers.

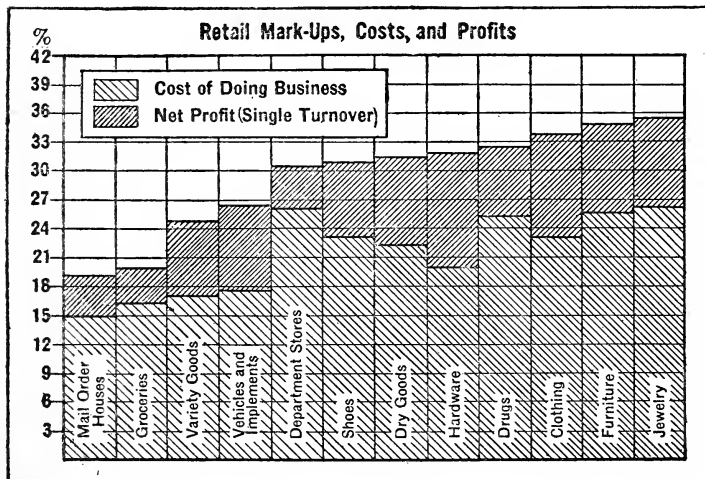


Figure 50: This chart, assembled from the figures of 579 concerns, shows gross mark-ups divided into costs and net gains. Since only one turnover is represented, the profits on investment are not included.

AVERAGE NET PROFITS
(By population and locality)

300,000, and over, population (highest).....	8.40%
100,000, and over, population (lowest).....	5.91%
Farming districts.....	7.28%
Manufacturing centers.....	6.66%
Manufacturing and farming localities.....	6.25%
Resorts.....	5.95%
Shipping centers.....	5.50%

COST AVERAGES AND EXPENSES FROM THE
BOOKS OF 1,569 CONCERNS

"Costs of doing business" in these tables exclude freight and cartage, losses from mark-downs, and gains through discounts. "Salaries" indicates direct sales payrolls, in some instances including the time spent by the proprietor in selling. "Delivery" and "light, heat, and power" include payroll and upkeep charges. All irregular stock losses and all depreciation are listed under "depreciation and shrinkage." Items which cannot be allocated, administrative and buying salaries, indirect payrolls and investment charges make up "general expense." All figures refer to net sales. Add 1.5% for Pacific Coast, southern and mountain states; and 2% for cities over 400,000. Deduct 0.5% for Atlantic Coast and 3% for rural districts. Annual sales exceeding \$5,000,000 are not considered.

DRY GOODS STORE COSTS

The cost of doing business itemized here is the average for the United States, as found by investigation. Note (1) that stores handling the cheaper stocks have been eliminated; (2) that annual sales volumes of over \$500,000 were not included; (3) that freight and cartage charges are not included.

Rent.....	3.24%
Salaries.....	9.65%
Advertising.....	1.67%
Heat and light.....	.54%
Delivery.....	1.02%
Supplies.....	.38%

DRY GOODS STORE COSTS, Continued

Insurance and taxes.....	1.08%
General expenses.....	4.15%
Depreciation and shrinkage.....	1.11%
Bad debts.....	.21%
Total percentage of expenses to sales.....	23.05%

A SMALL DRY GOODS STORE

Investigation showed that on the average, small dry goods stores pay out again for expenses 16.21% of their sales. Note that this typical middle western small store: (1) makes no deliveries; (2) does not use expensive selling space.

Rent.....	\$ 731.12 or	2.9%
Salaries.....	2,546.31 or	10.1%
Advertising.....	302.53 or	1.2%
Heat and light.....	100.84 or	.4%
Delivery.....	.....	.....
Supplies.....	50.42 or	.2%
Insurance and taxes.....	201.69 or	.8%
General expenses.....	50.42 or	.2%
Depreciation and shrinkage.....	100.84 or	.4%
Bad debts.....	25.21 or	.1%
Total expense.....	\$4,109.38 or	16.3%

TYPICAL DRY GOODS STORE

This store is in the Southwest. The owner reports that he secures four turnovers a year through the store at a net mark-up of 28.9%. Note how closely these actual figures check with the general averages for this line.

Rent.....	\$ 1,550.06 or	3.1%
Salaries.....	4,800.19 or	9.6%
Advertising.....	750.03 or	1.5%
Heat and light.....	200.01 or	.4%
Delivery.....	450.02 or	.9%
Supplies.....	200.01 or	.4%
Insurance and taxes.....	550.02 or	1.1%
General expenses.....	2,200.09 or	4.4%
Depreciation and shrinkage.....	700.03 or	1.4%
Bad debts.....	150.01 or	.3%
Total expense.....	\$11,550.47 or	23.1%

COST FIGURES FROM A LARGE DRY GOODS STORE

Average dry goods stores securing annual sales above \$200,000 pay, the investigation established, expenses of 24.76% when in competition with department stores in the larger cities. This Indiana store typifies them. Note (1) the high advertising percentage; (2) the rent.

Rent.....	\$ 7,650.37 or	3.4%
Salaries.....	22,276.09 or	9.9%
Advertising.....	6,975.34 or	3.1%
Heat and light.....	2,025.10 or	.9%
Delivery.....	3,150.15 or	1.4%
Supplies.....	1,575.08 or	.7%
Insurance and taxes.....	2,700.13 or	1.2%
General expenses.....	4,950.24 or	2.2%
Depreciation and shrinkage.....	3,150.15 or	1.4%
Bad debts.....	450.02 or	.2%
Total expense.....	\$54,902.67 or	24.4%

AVERAGE COST FIGURES FOR GROCERY STORES

Analyses of the expenses of grocery concerns scattered from New York to Oregon fixed this average cost of doing business given here. Note (1) that groceries drawing trade from customers with either small or large incomes are not included; (2) that, since the average mark-up is 19.91% of the selling prices, the turnovers are of necessity rapid and carry a low net profit.

Rent.....	3.07%
Salaries.....	8.46%
Advertising.....	.83%
Heat and light.....	.39%
Delivery.....	2.53%
Supplies.....	.37%
Insurance and taxes.....	.58%
General expenses.....	.45%
Depreciation and shrinkage.....	.76%
Bad debts.....	.47%
Total percentages of expenses to sales.....	17.91%

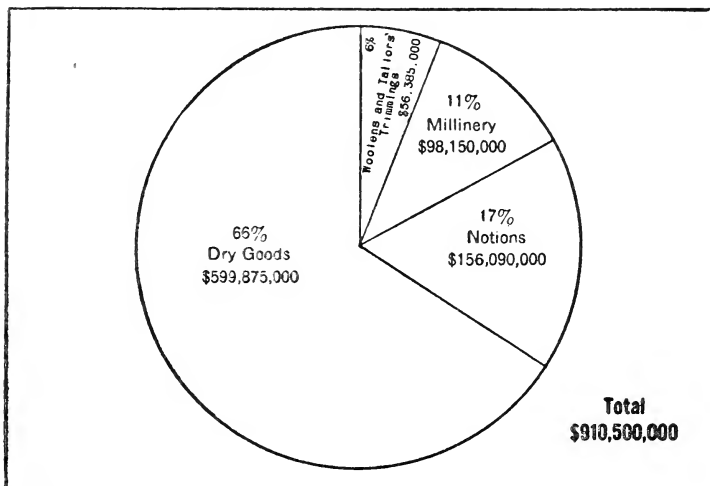


Figure 51: This chart (from "Selling Forces") indicates how the jobbing of textiles is divided. Amounts may have changed since the chart was prepared, but the percentage figures are no doubt still fairly accurate.

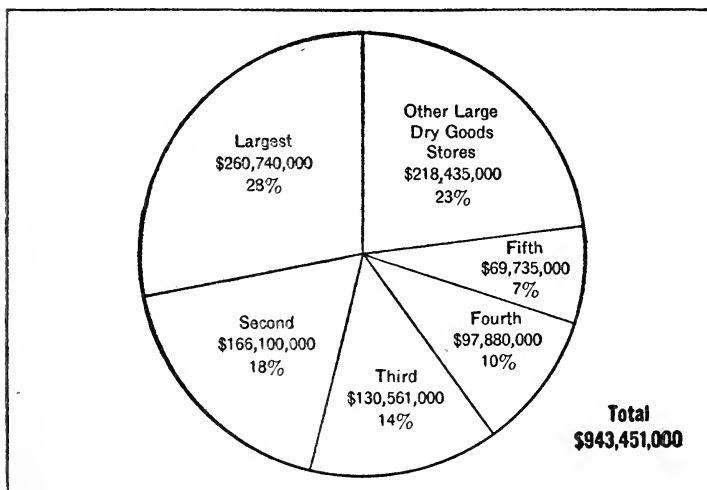


Figure 52: Another chart (from "Selling Forces") shows the volume of business done by leading stores in the 100 largest cities. These 100 stores do in the aggregate 28% of the total business in those cities.

THE COST OF DOING BUSINESS OF A SMALL CASH GROCERY

It is natural that among groceries handling for cash only a trade drawn from modest incomes investigation should fix an expense average—14.77%—below the general average. These figures from a city store represent this type of grocery. Note (1) that there is no delivery expense or loss from bad debts; (2) that a good location is rented.

Rent.....	\$ 291.92 or	2.7%
Salaries.....	1,048.76 or	9.7%
Advertising.....	21.62 or	.2%
Heat and light.....	32.44 or	.3%
Delivery.....	.....	.....
Supplies.....	21.62 or	.2%
Insurance and taxes.....	43.25 or	.4%
General expenses.....	21.62 or	.2%
Depreciation and shrinkage.....	86.50 or	.8%
Bad debts.....	.....	.....
Total expense.....	\$ 1,567.73 or	14.5%

OPERATING COSTS OF A TYPICAL GROCERY STORE

In a middle western town of 43,000 this grocery store handles annual sales of \$50,000, at an expense not far from the average, as given on page 140. Note (1) that advertising costs are less than in other lines; (2) that delivery expenses amount to almost as much as the rent; and (3) that insurance costs are low.

Rent.....	\$ 2,256.95 or	3.3%
Salaries.....	4,067.09 or	8.1%
Advertising.....	351.48 or	.7%
Heat and light.....	251.05 or	.5%
Delivery.....	954.01 or	1.9%
Supplies.....	150.63 or	.3%
Insurance and taxes.....	200.84 or	.4%
General expenses.....	150.63 or	.3%
Depreciation and shrinkage.....	301.27 or	.6%
Bad debts.....	150.63 or	.3%
Total expense.....	\$ 8,834.58 or	16.4%

WHAT IT COSTS A LARGE CREDIT GROCERY TO OPERATE

Investigation also supported the accepted conclusion that when groceries sell on credit to an exclusive trade their expenses run above usual levels. These expenses, paid by a city store, typify the average—18.97%—found for this class of groceries. Note (1) the rent; (2) the wage total; and (3) the delivery expense.

Rent.....	\$ 2,009.10	or	2.7%
Salaries.....	6,771.40	or	9.1%
Advertising.....	595.29	or	.8%
Heat and light.....	223.23	or	.3%
Delivery.....	2,232.33	or	3.0%
Supplies.....	297.64	or	.4%
Insurance and taxes.....	223.23	or	.3%
General expenses.....	595.29	or	.8%
Depreciation and shrinkage.....	744.11	or	1.0%
Bad debts.....	595.29	or	.8%
Total expense.....	\$14,286.91	or	19.2%

AVERAGE OPERATING COSTS OF VEHICLE STORES

Here is the percentage pointed by the investigation as the average cost of doing a vehicle and implement business in the United States. Note (1) that the average operating cost for this line is second above the lowest fixed—the average for mail-order houses (15.02%); (2) that salaries are proportionately high because sales are not large enough, individually, to counterbalance their infrequency.

Rent.....	2.12%
Salaries.....	9.41%
Advertising.....	1.22%
Heat and light.....	.51%
Delivery.....	1.06%
Supplies.....	.42%
Insurance and taxes.....	1.04%
General expenses.....	.71%
Depreciation and shrinkage.....	.62%
Bad debts.....	.33%
Total percentage of expenses to sales.....	17.44%

THE COST OF DOING BUSINESS OF A TYPICAL VEHICLE STORE

The figures presented below are from the books of a store selling \$57,600 worth of vehicles and implements annually in an eastern city of 33,000. They total to within 1% of the average for the country in this line, as given on the preceding page.

Rent.....	\$1,094.63	or	1.9%
Salaries.....	5,818.81	or	10.1%
Advertising.....	633.73	or	1.1%
Heat and light.....	345.67	or	.6%
Delivery.....	518.51	or	.9%
Supplies.....	230.45	or	.4%
Insurance and taxes.....	460.90	or	.8%
General expenses.....	230.45	or	.4%
Depreciation and shrinkage.....	403.28	or	.7%
Bad debts.....	115.22	or	.2%
Total expense.....	\$9,851.65	or	17.1%

AVERAGE OPERATING COSTS FOR VARIETY STORES

Typical variety stores in the United States were found to be paying, when the figures were averaged, these expenses. Note (1) that rents rank high because good locations are usually demanded in this line; (2) that the advertising expenditure includes "leaders" put on the counters at a loss to attract trade; (3) that, since the turnover is rapid and the cost of doing business low, this line is profitable under a suitable volume and mark-up.

Rent.....	4.41%
Salaries.....	8.86%
Advertising.....	1.52%
Heat and light.....	.81%
Delivery.....	.....
Supplies.....	.21%
Insurance and taxes.....	.98%
General expenses.....	.91%
Depreciation and shrinkage.....	.06%
Bad debts.....	.....
Total percentage of expense to sales.....	17.76%

WHAT IT COSTS A TYPICAL VARIETY STORE TO OPERATE

These figures from a variety store in a town of 2,000 check well with the average for the country. The sales total about \$11,000 a year. Note (1) that there are no delivery charges and no losses from defaulted debts; (2) that this store can net a 50% profit on the investment under a net mark-up of 23%, through 10 stock turnovers.

Rent.....	\$451.49	or	4.1%
Salaries.....	980.07	or	8.9%
Advertising.....	165.18	or	1.5%
Heat and light.....	19.11	or	.9%
Delivery.....	.....	..	.....
Supplies.....	22.02	or	.2%
Insurance and taxes.....	99.11	or	.9%
General expenses.....	55.06	or	.5%
Depreciation and shrinkage.....	11.01	or	.1%
Bad debts.....	.....	..	.....
Total expense.....	\$1,803.05	or	17.1%

AVERAGE COSTS OF DOING BUSINESS OF HARDWARE STORES

This is the standard cost of retailing hardware in America as fixed by analyses of typical stores in Canada and the United States. Note that the business takes healthy net profits but does not secure as many sales as stores handling lines involving lower average costs. Reports indicate that often concentration on profitable repairs results in dingy hardware selling floors and lost sales.

Rent.....	3.41%
Salaries.....	10.11%
Advertising.....	1.12%
Heat and light.....	.43%
Delivery.....	.91%
Supplies.....	.60%
Insurance and taxes.....	.99%
General expenses.....	2.01%
Depreciation.....	.52%
Bad debts.....	.31%
Total percentage of expenses to sales.....	20.41%

OPERATING EXPENSES OF A TYPICAL HARDWARE STORE

In an Indiana town of about 5,000, a hardware store with sales of \$45,000 a year pays these expenses, which are remarkably close to the standard. Note (1) that salaries are excessive because sons of the owners work in the store at abnormal wages; (2) that the losses from bad debts are unusually high.

Rent.....	\$1,305.61	or	2.9%
Salaries.....	5,042.35	or	11.2%
Advertising.....	405.20	or	.9%
Heat and light.....	225.10	or	.5%
Delivery.....	270.13	or	.6%
Supplies.....	180.08	or	.4%
Insurance and taxes.....	495.23	or	1.1%
General expenses.....	360.17	or	.8%
Depreciation and shrinkage.....	225.10	or	.5%
Bad debts.....	180.08	or	.4%
Total expense.....	\$8,689.05	or	19.3%

AVERAGE OPERATING COSTS OF CLOTHING STORES

This average cost of selling clothes at retail in the United States was set by the investigation's analyses of actual figures from all sections of the country. Note (1) that stores in large cities, for which a separate cost standard of 30.12% was fixed, are not included; (2) that the advertising expenditure is the highest scheduled in the standards, if furniture and department stores are excepted.

Rent.....	3.04%
Salaries.....	9.49%
Advertising.....	3.16%
Heat and light.....	.62%
Delivery.....	.65%
Supplies.....	.43%
Insurance and taxes.....	1.07%
General expenses.....	2.31%
Depreciation and shrinkage.....	2.16%
Bad debts.....	.34%
Total percentage of expenses to sales.....	23.27%

A TYPICAL CLOTHING STORE

This cost of doing business is paid by a clothier in the Middle West who secures annual sales of \$60,000. Note (1) that the rent is low, because an entire building was leased and improved until space not needed for selling could be subleased at a profit; (2) that the cost of heating is reduced by supplying tenants; (3) that these savings are thrown into the advertising appropriation.

Rent.....	\$ 1,322.24	or	2.2%
Salaries.....	5,469.29	or	9.1%
Advertising.....	2,043.47	or	3.4%
Heat and light.....	180.31	or	.3%
Delivery.....	360.61	or	.6%
Supplies.....	120.20	or	.2%
Insurance and taxes.....	661.12	or	1.1%
General expenses.....	1,081.84	or	1.8%
Depreciation and shrinkage.....	1,322.24	or	2.2%
Bad debts.....	240.41	or	.4%
Total expense.....	\$12,801.73	or	21.3%

AVERAGE DRUG STORE COSTS

Costs of doing a retail drug business were averaged to this standard. Note (1) that, with the exception of department, furniture, and jewelry stores, higher rents are paid in this line than in any other standard retail activity; (2) that soda fountain profits normally make it possible to pay the high rents; and (3) that many specialties not connected with the former line of drug stocks are now used to build net returns above the rising expenses.

Rent.....	4.02%
Salaries.....	10.95%
Advertising.....	1.76%
Heat and light.....	.69%
Delivery.....	.51%
Supplies.....	.36%
Insurance and taxes.....	1.21%
General expenses.....	4.49%
Depreciation and shrinkage.....	.47%
Bad debts.....	.19%
Total percentage of expenses to sales.....	24.65%

COST OF DOING BUSINESS OF A TYPICAL DRUG STORE

The expenses here itemized are paid by a druggist who handles annual sales of \$20,000 in a middle western city. They are close to the average for the country, given in the preceding table. Net gains from the soda profits are sufficient to care for the \$924.65 spent for rent.

Rent.....	\$ 924.65	or	4.9%
Salaries.....	2,191.01	or	10.9%
Advertising.....	522.64	or	2.6%
Heat and light.....	160.81	or	.8%
Delivery.....	80.40	or	.4%
Supplies.....	60.30	or	.3%
Insurance and taxes.....	281.41	or	1.4%
General expenses.....	482.42	or	2.4%
Depreciation and shrinkage.....	100.50	or	.5%
Bad debts.....	40.20	or	.2%
Total expense.....	\$4,844.34	or	24.4%

AVERAGE OPERATING COSTS OF FURNITURE STORES

The standard here given is the average found after analyzing the cost of retailing furniture in the United States. Note (1) that the bulky nature of the stocks drives rent higher than in any other itemized national average, those for department and jewelry stores excepted; (2) that general expenses are unusually heavy, partly on account of the incidental repairing necessitated by poor packing; and (3) that the insurance cost is high.

Rent.....	5.04%
Salaries.....	9.73%
Advertising.....	2.72%
Heat and light.....	.92%
Delivery.....	.94%
Supplies.....	.41%
Insurance and taxes.....	1.57%
General expenses.....	1.10%
Depreciation and shrinkage.....	2.14%
Bad debts.....	1.94%
Total percentage of expenses to sales.....	26.51%

OPERATING COSTS OF A TYPICAL FURNITURE STORE

These figures from a store which sells \$100,000 worth of furniture a year in the South are typical of the average established for the line in this country. Investigation shows that the loss from bad debts is the heaviest encountered among the costs here assembled from various stores operating under normal conditions.

Rent	\$ 5,511.56	or	5.5%
Salaries	8,317.60	or	8.3%
Advertising	2,906.15	or	2.9%
Heat and light	801.70	or	.8%
Delivery	1,102.33	or	1.1%
Supplies	501.06	or	.5%
Insurance and taxes	1,402.97	or	1.4%
General expenses	1,803.82	or	1.8%
Depreciation and shrinkage	1,904.03	or	1.9%
Bad debts	1,202.54	or	1.2%
Total expense	\$25,453.76	or	25.4%

JEWELRY STORE COSTS

Jewelers, investigation showed, pay the highest average retail expenses, if some of the largest department stores are overlooked. The standard is here given. Note (1) that the turnovers secured under these high costs are slow; (2) that, therefore, net profits are often unsatisfactory, even when heavy net mark-ups are realized; (3) that, hence, safe novelties and healthier returns from repairs are needed. Note, also, that general expenses are unusual.

Rent	4.98%
Salaries	10.96%
Advertising	2.85%
Heat and light . . . . .	.61%
Delivery . . . . .	.09%
Supplies . . . . .	.89%
Insurance and taxes	1.32%
General expenses	3.95%
Depreciation and shrinkage . . . . .	.95%
Bad debts . . . . .	.21%
Total percentage of expenses to sales	26.81%

OPERATING COSTS OF A TYPICAL JEWELRY STORE

In Kansas one jeweler's books show these expense payments. There is not an item in which they vary from the national average by more than 2%. A progressive Indiana jeweler has forced his payroll expense down to 5% by advertising his repair bench and dividing the clerks' time between it and the counters.

Rent	\$1,080.40	or	3.6%
Salaries	3,361.23	or	11.2%
Advertising	1,050.38	or	3.5%
Heat and light	180.07	or	.6%
Delivery	30.01	or	.1%
Supplies	270.10	or	.9%
Insurance and taxes	540.20	or	1.8%
General expenses	630.23	or	2.1%
Depreciation and shrinkage	360.13	or	1.2%
Bad debts	90.03	or	.3%
Total expense	\$7,592.78	or	25.3%

OPERATING COSTS FROM A JEWELRY DEPARTMENT

The expenses listed below are those of a jewelry department in a large department store in the East. The rate of turnover is about twice as high as any reported from individual stores. The net profit on each turn is lower, however, and the costs are higher. Note particularly the costs of rent, advertising, and delivery.

Rent	\$ 20,184.64	or	5.6%
Salaries	35,683.56	or	9.9%
Advertising	14,778.04	or	4.1%
Heat and light	3,243.96	or	.9%
Delivery	3,964.84	or	1.1%
Supplies	5,046.16	or	1.4%
Insurance and taxes	2,883.52	or	.8%
General expenses	15,498.92	or	4.3%
Depreciation and shrinkage	6,127.48	or	1.7%
Bad debts	360.44	or	.1%
Total expenses	\$107,771.56	or	29.9%

OPERATING COSTS OF A WHOLESALE JEWELRY CONCERN

The figures tabulated below were taken from a prosperous wholesale jewelry business situated west of the Mississippi river. It is quite probable that the cost of doing business in this particular line is higher than in the majority of lines selling at wholesale.

Rent.....	\$ 3,600.99	or	.9%
Salaries.....	36,410.01	or	9.1%
Advertising.....	1,600.44	or	4.0%
Heat and light.....	3,600.99	or	9.0%
Delivery.....	3,200.88	or	.8%
Supplies.....	6,401.76	or	1.6%
Insurance and taxes.....	2,800.77	or	.7%
General expenses.....	8,402.31	or	2.1%
Depreciation and shrinkage.....	3,200.88	or	.8%
Bad debts.....	3,600.99	or	.9%
Total expenses.....	<u>\$72,820.02</u>	or	<u>18.2%</u>

WHAT IT COSTS TO OPERATE SHOE STORES

This is the itemized average cost of retailing shoes set for the country by the Shaw Bureau of Business Standards' extensive investigation. You will note (1) that rents are high; (2) that salaries are also heavy, proportionately; and (3) that general expense is unusual. These conclusions, therefore, follow: (1) that, under normal mark-ups, net profits are weak; (2) that, hence, success demands closer buying in styles, frequent reordering of in-stock lines, and less idle time.

Rent.....	3.21%
Salaries.....	10.51%
Advertising.....	1.65%
Heat and light.....	1.10%
Delivery.....	.46%
Supplies.....	.30%
Insurance and taxes.....	1.03%
General expenses.....	4.36%
Depreciation and shrinkage.....	.50%
Bad debts.....	.10%
Total percentage of expenses to sales.....	<u>23.22%</u>

COST OF DOING BUSINESS OF A TYPICAL SHOE STORE

These figures from a New England shoe store fit the average closely. Three and one-half turnovers are made under a mark-down loss of about 9%. Therefore, the owner is forced to realize through the stock a mark-up close to 35% in order to get a sound net profit. It is interesting to note that rent, delivery, and depreciation and shrinkage are low, while salaries and general expenses are high.

Rent	\$ 778.13	or	3.1%
Salaries	2,786.21	or	11.1%
Advertising	376.51	or	1.5%
Heat and light	225.91	or	.9%
Delivery	75.30	or	.3%
Supplies	100.40	or	.4%
Insurance and taxes	301.21	or	1.2%
General expenses	1,029.14	or	4.1%
Depreciation and shrinkage	150.61	or	.6%
Bad debts	25.10	or	.1%
Total expense	\$5,848.52	or	23.3%

AVERAGE OPERATING COSTS OF BOOK STORES

These figures were compiled from the books of 43 representative merchants. They indicate that the average yearly rate of turnover in book stores is 2.65 times. In those stores which do both a cash and a credit business, the percentage of credit business to total sales is indicated to be about 43.2%—the remainder, of course, being cash.

Rent	3.90%
Salaries	12.30%
Delivery	2.20%
Supplies .....	.78%
General expenses	2.97%
Advertising	2.33%
Heat and light .....	.40%
Insurance and taxes .....	.85%
Bad debts .....	.41%
Depreciation	2.00%
Total percentage of expenses to sales	28.14%

OPERATING COSTS FOR THE RETAIL LUMBER BUSINESS

"Real selling," says a prominent manufacturer, "is bringing to a man something he needs and wants. It is 25% on the firing line, and 75% back of it.

"The fundamentals are the important factors in selling. Begin with the product—it must have a selling idea in it. If it hasn't one, is it worth selling? The very business itself should be founded on the solid rock of true service.

"Then the management should open up leads, make salesmen's work easier by advertising, train and educate the men, and back them up by A-Number-1 service every minute of every day.

"With such backing a salesman has the chance to be a business man—a business builder—rather than just an order taker. I see to it, therefore, that my men know as much as possible about the intimate business problems of the men they call on."

Intimate knowledge of the fundamentals this man mentions is to play an increasingly important part, during the coming years as a vital selling factor, according to a number of thoughtful business men. And undoubtedly the training of salesmen as business builders will be looked upon with more and more favor by selling executives.

The lumber business offers a fruitful field for real business building, and if manufacturers take up wholeheartedly the task of building up retailers, the lumber dealer should fare well, for he has added enough side-lines in recent years to bring himself to the attention of manufacturers in several lines.

The figures in the following tables indicate some of the lumber dealers' problems and some of the tendencies in the retail lumber business. They are well worth careful analysis.

**TOTAL COSTS OF DOING BUSINESS FOR
RETAIL LUMBER YARDS**
(Yards of all sizes)

	Indicated typical costs	Indicated attainable costs
Population of city		
Under 5,000.....	13.78%	11.87%
5,000 to 50,000.....	15.07%	12.61%
50,000 to 100,000.....	16.75%	14.60%
Over 100,000.....	17.44%	15.66%

Costs of doing business in this and in all similar tabulations in the following tables are given as percentages of total sales. All are based on actual figures; all are averages; and all are given as indicative, not as final figures.

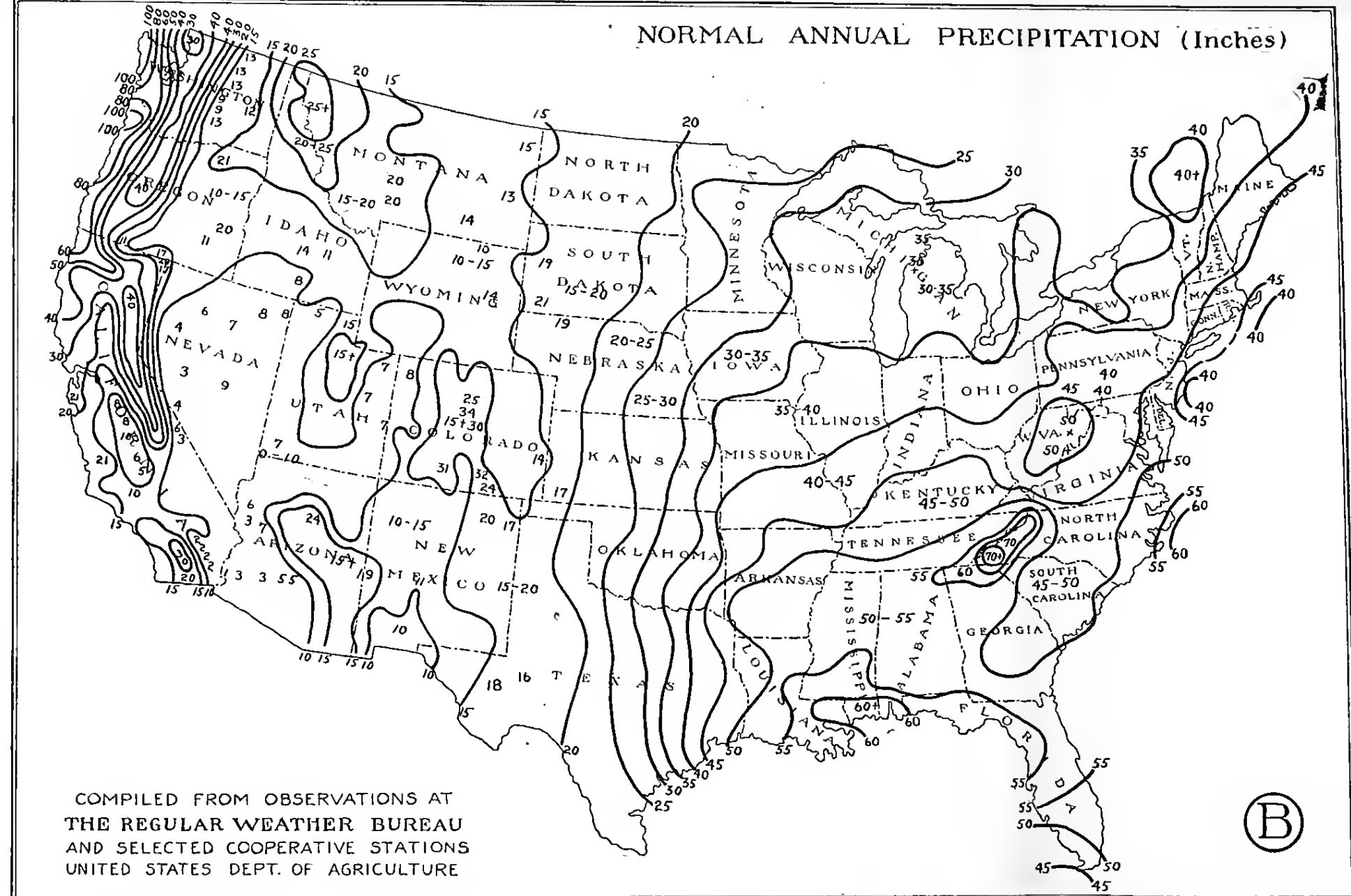
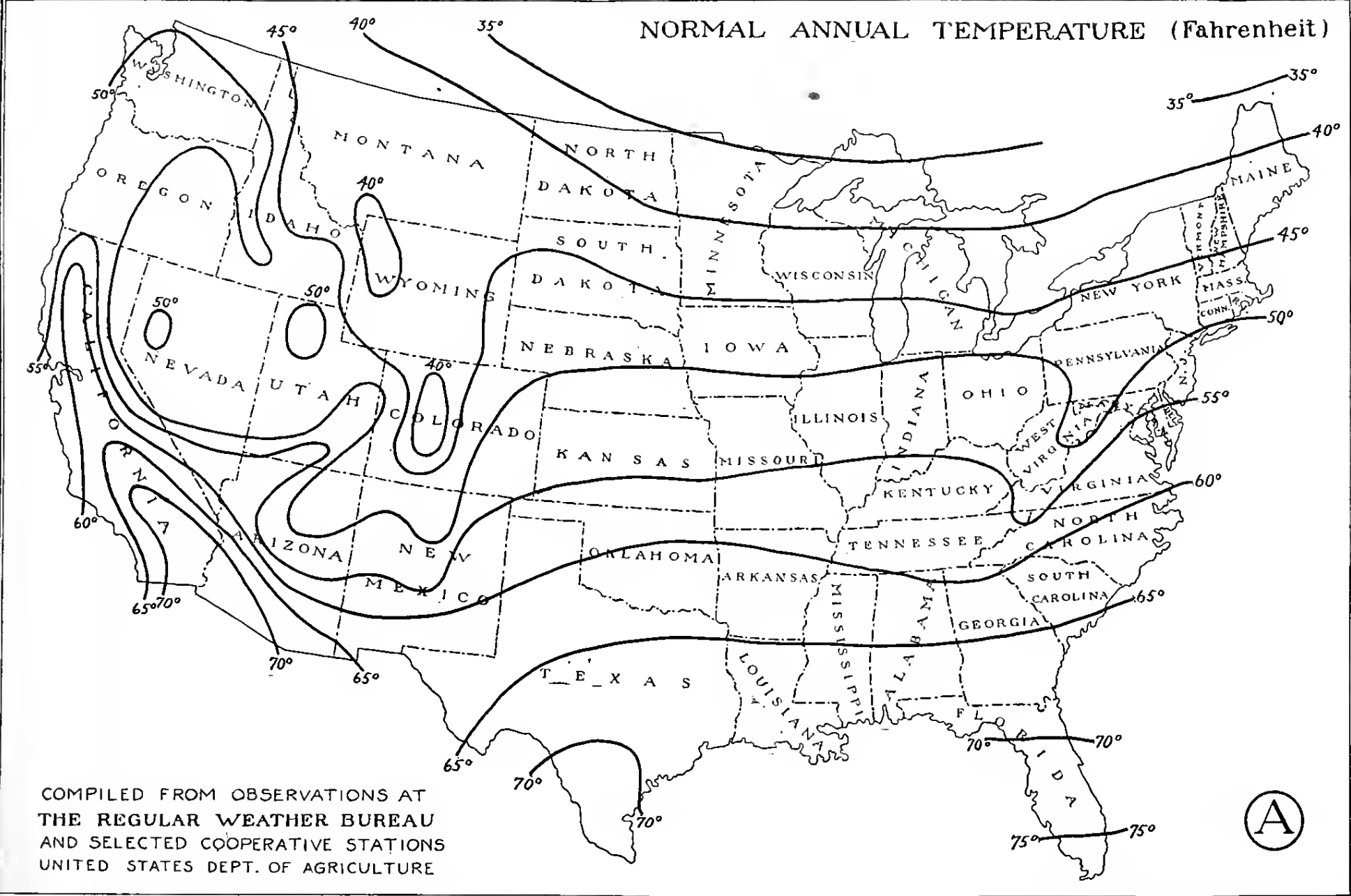
INDICATIVE COSTS FOR COUNTRY YARDS
(Population under 5,000)

Items	Indicated typical costs	Indicated attainable costs
Salaries.....	5.20%	5.00%
Rent.....	.79%	.64%
Handling stock.....	4.53%	3.24%
Advertising.....	.38%	.55%
Heat and light.....	.10%	.11%
Supplies.....	.25%	.37%
General expense.....	1.22%	.94%
Insurance and taxes.....	.81%	.75%
Bad debts.....	.50%	.27%
Total.....	13.78%	11.87%

Indicative costs for yards in towns of less than 5,000 population are here given for all of the usual items entering the cost of doing business except depreciation and "power for mill." Because of the great variety of methods used by dealers in figuring these items it seemed best to omit them from this tabulation.

Note: The lumber costs given on this and the five following pages are taken from "How to Run a Retail Lumber Business at a Profit," another Shaw publication.

INSERT V



Insert V: In many lines of business—perhaps yours is one—facts regarding climatic conditions are highly desirable, if not absolutely necessary, before effective selling policies and plans can be decided upon. You see indicated here the average, low, and high temperatures (Figure A) and the average precipitation for each section of the country (Figure B). These averages, published by the Government Weather Bureau, at Washington, cover a period of 20 years. The following example will illustrate the manner of reading Figure B. To find the rainfall of Texas: Beginning with the extreme eastern portion of the coast, it will be found that a line marked 50 inches curves northeastward into Louisiana, and thence northwestward to the southwest corner of the State of Arkansas. Directly east of this line is another line marked 55 inches. The average annual rainfall between the two lines ranges, therefore, between 50 and 55 inches, and the only portion of the State of Texas having an annual precipitation of 50 inches and over is found directly east of the line first mentioned. West of this line the precipitation diminishes, from east to west, regularly at first, as indicated by the various lines marked "45," "40," "35," and so on, but after the line of 20 inches is reached the distribution becomes somewhat irregular, and the fall finally is reduced to about 10 inches in the extreme western part of the State.



INDICATIVE COSTS IN SMALL CITY YARDS

(Population 5,000 to 50,000)

(Figures for 1916)

Items	Indicated typical costs	Indicated attainable costs
Salaries.....	4.37%	4.32%
Rent.....	1.49%	.66%
Handling stock.....	5.42%	4.47%
Advertising.....	.34%	.24%
Heat and light.....	.13%	.07%
Supplies.....	.29%	.34%
General expense.....	1.37%	1.02%
Insurance and taxes.....	.92%	.82%
Bad debts.....	.74%	.67%
Total.....	15.07%	12.61%

In small cities the better handled yards evidently have effected definite reductions on the items of rent, handling stock, heat and light, and general expense. Supplies, however, seem to run somewhat higher than the other items.

INDICATIVE COSTS IN SMALL CITY YARDS

(Population 50,000 to 100,000)

(Figures for 1916)

Items	Indicated typical costs	Indicated attainable costs
Salaries.....	4.00%	3.30%
Rent.....	1.58%	1.19%
Handling stock.....	6.27%	6.34%
Advertising.....	1.05%	1.50%
Heat and light.....	.27%	.25%
Supplies.....	1.10%	.54%
General expense.....	.86%	.35%
Insurance and taxes.....	.85%	.63%
Bad debts.....	.77%	.50%
Total.....	16.75%	14.60%

In cities of 50,000 to 100,000 population the indicated attainable cost standards on the items of handling stock and

advertising run higher than the figures on the same items for the typical yard. The attainable total costs, however, because of the savings on other items, were over 2% less than the total costs for the typical concerns.

INDICATIVE COSTS IN LARGE CITY YARDS
(Population 100,000 and over)
(Figures for 1916)

Items	Indicated typical costs	Indicated attainable costs
Salaries.....	4.94%	4.55%
Rent.....	1.21%	1.08%
Handling stock.....	7.02%	5.87%
Advertising.....	.31%	.23%
Heat and light.....	.08%	.06%
Supplies.....	.72%	.34%
General expense.....	1.50%	1.90%
Insurance and taxes.....	.91%	.97%
Bad debts.....	.75%	.66%
Total.....	17.44%	15.66%

In large city yards cost reductions apparently have been obtained on every item listed. This is especially true of handling stock. Evidently the volume of business has induced the better managed concerns to invest heavily in labor-saving equipment, including trucks, of course, and the resulting savings seem to run about 2% under the total figure for the less efficiently managed yards.

HOW COSTS ROSE IN ONE YEAR
(Figures from three typical retail lumber dealers)

Dealer	1916 costs	1917 costs	Net increase
1.....	17.69%	23.00%	5.31%
2.....	7.73%	9.66%	1.93%
3.....	8.89%	11.90%	3.01%

Costs of doing business show an unprecedented increase in one year for the three dealers whose costs are given here, and their figures are typical of yards the country over.

COST OF SALARIES IN RETAIL LUMBER YARDS

Population of city	Indicated typical costs	Indicated attainable costs
Under 5,000.....	5.20%	5.00%
5,000 to 50,000.....	4.37%	4.32%
50,000 to 100,000.....	4.00%	3.30%
Over 100,000.....	4.94%	4.55%

Percentages indicated here for salaries cover the cost of office employees, salesmen, and executives. Salaries apparently require a higher percentage of total sales in the small town than in the large city yard. Yards in cities of 50,000 to 100,000 population seem to carry the lowest average. However this item of expense is lower in the lumber business than in most retailing lines.

COSTS OF RENT

Population of city	Indicated typical costs	Indicated attainable costs
Under 5,000.....	.79%	.64%
5,000 to 50,000.....	1.49%	.66%
50,000 to 100,000.....	1.58%	1.19%
Over 100,000.....	1.21%	1.08%

Yards in medium-sized cities apparently pay more for rent than dealers in the other three classifications. But a good-sized rental expenditure frequently is advisable, it was found by investigation, because of the increased business often attainable through a better location.

LABOR COSTS

Population of city	Indicated typical costs	Indicated attainable costs
Under 5,000.....	4.53%	3.24%
5,000 to 50,000.....	5.42%	4.47%
50,000 to 100,000.....	6.27%	6.34%
Over 100,000.....	7.02%	5.87%

Labor costs, while high, as indicated in the table given on the preceding page, apparently are rising steadily every day. These costs evidently increase in direct proportion to the size of the town in which the yard is located. Investigations, however, have revealed many effective methods which have been worked out successfully by business men to help dealers reduce this big item of expense.

RETAIL LUMBER DEALER'S COST OF ADVERTISING

Population of city	Indicated typical costs	Indicated attainable costs
Under 5,000.....	.38%	.55%
5,000 to 50,000.....	.34%	.24%
50,000 to 100,000.....	1.05%	1.50%
Over 100,000.....	.31%	.23%

Well-managed country yards and yards in cities of 50,000 to 100,000 population are spending more for advertising than typical yards in the same group. Large city yards evidently carry the lowest percentage for advertising and country yards the highest. This fact is due, undoubtedly, to the greatly increased volume of sales in the city yards which tends to reduce the proportionate cost of all the items of overhead expenses.

COSTS OF HEAT AND LIGHT IN LUMBER YARDS

Population of city	Indicated typical costs	Indicated attainable costs
Under 5,000.....	.10%	.11%
5,000 to 50,000.....	.13%	.07%
50,000 to 100,000.....	.27%	.25%
Over 100,000.....	.08%	.06%

The cost of heating is difficult to regulate, according to most retail lumber dealers. Climatic conditions, of course, influence these costs to a great extent. The cost of lighting, however, can be cut down in most instances and economical methods are available which the retailer can put into operation with but slight effort.

COSTS OF SUPPLIES

Population of city	Indicated typical costs	Indicated attainable costs
Under 5,000.....	.25%	.37%
5,000 to 50,000.....	.29%	.34%
50,000 to 100,000.....	1.10%	.54%
Over 100,000.....	.72%	.34%

Costs of supplies are indicated to range from .25% of gross sales (reported by country yards) to 1.1%—the figure reported by dealers in medium-sized cities. Note that indicated attainable costs of supplies are not always lower.

COSTS OF GENERAL EXPENSE

Population of city	Indicated typical costs	Indicated attainable costs
Under 5,000.....	1.22%	.94%
5,000 to 50,000.....	1.37%	1.02%
50,000 to 100,000.....	.86%	.35%
Over 100,000.....	1.50%	1.90%

Costs of general expense are indicated to vary considerably, according to the figures submitted. Many dealers reported much larger costs than those given in this table. Probably this was due to a failure to subdivide the accounts completely and accurately.

COSTS OF INSURANCE AND TAXES

Population of city	Indicated typical costs	Indicated attainable costs
Under 5,000.....	.81%	.75%
5,000 to 50,000.....	.92%	.82%
50,000 to 100,000.....	.85%	.63%
Over 100,000.....	.91%	.97%

Costs of insurance and taxes can be reduced, according to dealers whose figures are classified under "indicated attainable costs." All of the attainable figures, you will note, are less, excepting those in cities over 100,000. Insurance risks apparently are greater in large cities.

DEATH RATE OF RETAILING CONCERNS

Dry goods merchants in business 5 years or less..	17-68%
Jewelers in business 5 years or less.....	13-50%
Shoe dealers in business 5 years or less.....	23-49%
Hardware dealers in business 5 years or less.....	10-48%
Meat dealers in business 5 years or less.....	36-48%
Grocers in business 5 years or less.....	76-45%
Druggists in business 5 years or less.....	17-43%
Cigar dealers in business 5 years or less.....	18-39%
Furniture dealers in business 5 years or less.....	8-38%
Clothiers in business 5 years or less.....	14-35%

The most startling mortality figures come from retail lines. Would it be worth money to you to feel certain that all your retail customers were such good business men that they would stay in business for a long time? The answer suggests the value of these figures.

DEATH RATE BY "GENERATIONS" FOR
10 RETAIL LINES

(Percentage of total concerns in each "generation"
which died within 5 years)

Line	1891	1896	1901	1906	1911
Groceries.....	44%	61%	56%	61%	63%
Hardware.....	40%	45%	50%	36%	66%
Paints and wall paper	62%	57%	40%	55%	69%
Drugs.....	37%	51%	45%	30%	39%
Books and stationery	75%	57%	50%	50%	38%
Jewelry.....	33%	46%	36%	41%	65%
Dry goods.....	50%	59%	65%	57%	39%
Clothing.....	45%	80%	40%	52%	56%
Boots and shoes....	53%	53%	48%	57%	58%
Furniture.....	70%	50%	37%	62%	61%

This table shows the death rate by generations of the 10 retail lines that were investigated. Totals such as these impress us with the seriousness of the problem and emphasize the necessity of keeping a whip-handle grip at all times on those facts and principles which have a fundamental and vital bearing on the permanency of any business.

HOW FAST 1,615 RETAIL STORES DIED

Line	Total deaths	Deaths within				
		5 years	10 years	15 years	20 years	25 years
Groceries.....	836	614	125	59	30	8
Hardware.....	74	48	15	6	4	1
Paints and wall paper.....	78	58	15	3	2	...
Drugs.....	115	69	30	13	2	1
Books and station- ery.....	43	29	12	1	1	...
Jewelry.....	52	38	9	3	...	2
Dry goods.....	142	108	19	10	3	2
Clothing.....	52	41	9	1	...	1
Boots and shoes....	177	121	32	17	6	1
Furniture.....	46	35	6	4	1	...

The majority of retail stores that "died" went out of business in the first five years, as the above table shows. Grocery stores, you will note, have the greatest number of "deaths," most of which occur during the concern's first five years of business life. Furniture concerns apparently are the longest "lived" of these retail lines.

DEATH RATE FOR 2,550 RETAIL CONCERNS

(The rate is given as the percentage of failures to the concerns in business during a period of 30 years total)

Line	Rate
1. Groceries	65.3%
2. Hardware	57.3%
3. Paints and wall paper	66.6%
4. Drugs	58.3%
5. Books and stationery	67.1%
6. Jewelry	52.0%
7. Dry goods.....	67.6%
8. Clothing	54.7%
9. Boots and shoes	65.0%
10. Furniture	53.4%
Death rate for 2,550 retail stores in 10 lines...	58.6%

HOW FAST THREE "GENERATIONS" OF RETAIL CLOTHING STORES DIED.							
COMPANY	1891	1896	1901	1906	1911	1916	DEATH RECORD
1							First "Generation" 45% died within 5 years
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							Second "Generation" 80% died within 5 years
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							Third "Generation" 40% died within 5 years
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							

Figure 53: Between 1886 and 1901, 45 clothing stores started in business in one section, but only 15 were in business at the end of 1916. The highest percentage death rate, as you will note, appeared among those concerns which started their business life in the second generation.

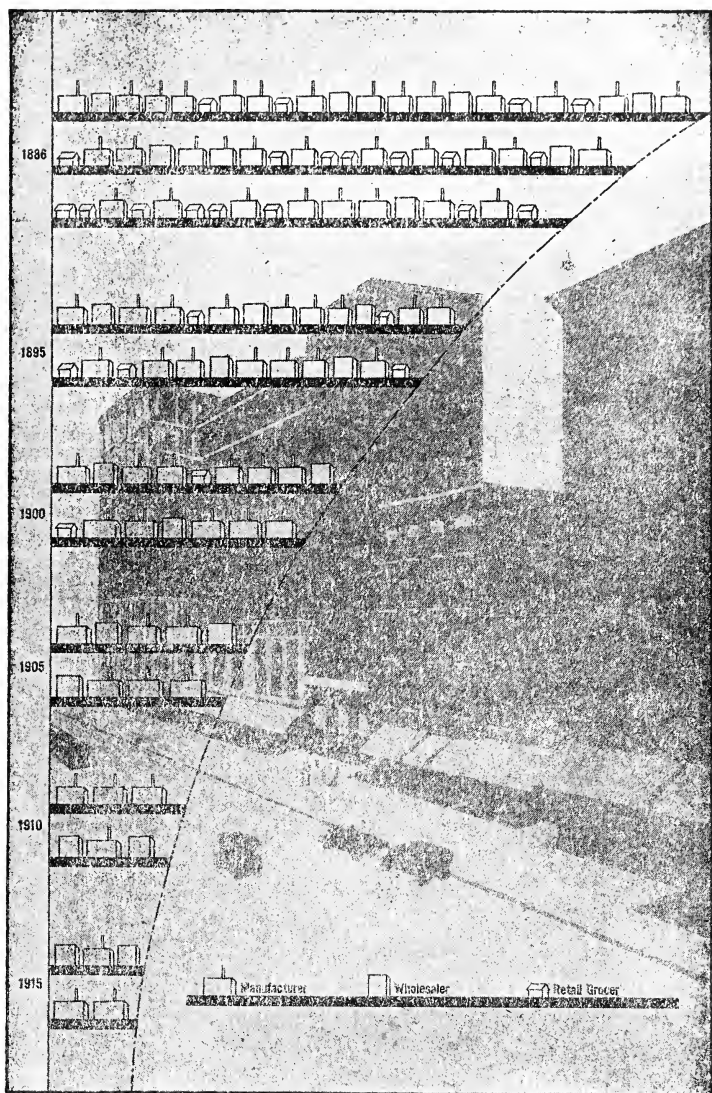


Figure 54: Here is shown an actual business death rate. Of 33 factories, 19 grocery stores, and 7 wholesale or jobbing establishments which were going businesses 30 years ago, there survived in 1915 only 3 of the factories, 2 wholesale concerns, and not even one grocery.

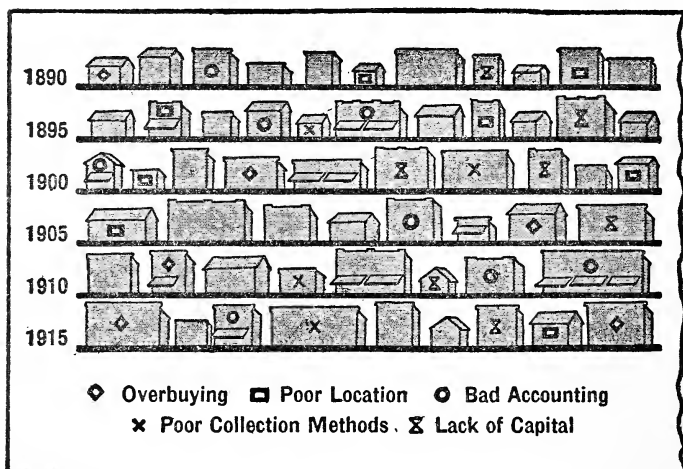
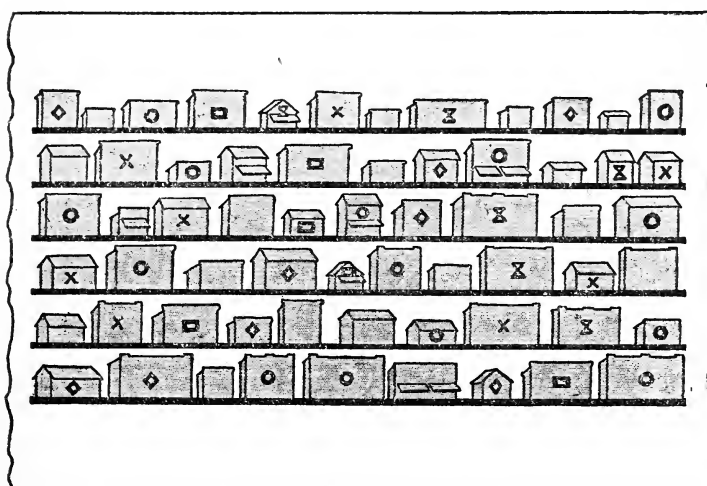


Figure 55: This chart, the right half of which is shown directly opposite, indicates some of the most important of the underlying causes, such as overbuying, poor location, and so on, of the business death rate.

This table, and those given on pages 168, 169, 170, and 171 are from "The Economics of Retailing," by Paul H. Nystrom, and present additional facts pertaining to business mortality. The investigation was carried on in several cities presenting a background of normal growth and conditions.

CHANGES IN RETAIL DEALERS IN OSHKOSH FROM 1890 TO 1912

Existing													
stores,	1890	145	117	91	73	50	37	29	27	18	18		
new firms	1893.....		43	24	18	15	12	11	9	8	8		
" "	1895.....			61	33	20	19	17	16	13	9		
" "	1898.....				52	34	26	20	15	15	13		
" "	1900.....					45	31	19	13	10	9		
" "	1903.....						34	24	19	16	13		
" "	1905.....							32	19	13	10		
" "	1908.....								35	24	20		
" "	1910.....									41	34		
" "	1912.....										38		
Summary		145	160	176	176	164	160	152	153	158	172		



The data for this chart (and the portion opposite) cross-sections the history of hundreds of concerns for 30 years. It is quite obvious that certain fundamental causes are unusually destructive in each line.

WILL MY STORE KEEP GOING FOR 15 YEARS?

Line	Chances in 10 to live:	
	10 Years	15 Years
Groceries.....	4.3	2.8
Hardware.....	5.8	4.0
Paints and wall paper.....	4.6	2.5
Drugs.....	5.9	3.8
Books and stationery.....	4.3	1.2
Jewelry.....	6.5	4.7
Dry goods.....	4.4	3.1
Clothing.....	4.8	3.4
Boots and shoes.....	4.8	3.1
Furniture.....	4.2	2.9

These business mortality figures are interesting because they indicate tendencies at first they might appear as startling but when it is considered that the law of the survival of the fittest has been applied it will be seen that there is nothing particularly surprising about them.

CAUSES FOR DISCONTINUING BUSINESS

Cause	Number of stores
Death.....	24
Retired because of ill-health.....	1
Bankruptcies handled by courts.....	6
Failures or fizzles.....	124
Sold out, probably representing losses.....	27
Sold out, representing gains.....	14
Retired with competences.....	5
Total.....	201

This table suggests where the merchants of today are coming from. Practically every man thinks he can "run a store." Perhaps a glance at these facts and the death rate figures shown in this volume would set some men thinking.

OCCUPATIONS OF OSHKOSH MERCHANTS
BEFORE GOING INTO PRESENT BUSINESS

DRUGGISTS:

Drug clerks.....	11
------------------	----

JEWELRY:

Watchmakers.....	6
General tinker.....	1
Tailor.....	1
Factory hand.....	1

SHOES:

Shoe clerks.....	11
Cobblers.....	6
Grocery clerk.....	1
Factory hand.....	1
Barber.....	1

HARDWARE:

Hardware business formerly.....	2
Hardware store salesmen.....	2
Tinsmiths.....	2
Traveling salesmen.....	1
Furniture manufacturer.....	1
Iceman.....	1

FORMER OCCUPATIONS OF MERCHANTS, Continued

CLOTHING:

Clothing store clerks	9
Dry goods clerks	3
Grocery clerk	1
Saloonkeeper	1

DRY GOODS:

Merchants before	3
Dry goods clerks	3
Pedler	1
Grocer	1
Farmer	1
Shoe merchant	1
Carpenter	1
Housewife	1

FURNITURE:

Cabinetmakers	2
Clerks in furniture store	3
Factory worker	1
Farmer	1

GROCERS:

Grocery clerks	16
Factory hands	16
Housewives (widows)	9
Farmers	9
Grocers in other places	8
Butchers	4
Bakers	3
Milkmen	3
Carpenters	2
Traveling salesmen	2
Saloonkeepers	2
Musicians	2
Section man on railway	1
Motorman	1
Blacksmith	1
Cigarmaker	1
Shoemaker	1
Machinist	1
Sewing machine agent	1
Policeman	1
Grain buyer	1
Coal merchant	1

These figures were collected some years ago, to be sure, but the averages and tendencies they indicate are probably just as accurate today as they were then.

CHANGES IN RETAIL FIRMS IN JANESVILLE
DURING 10 YEARS

Total retail stores in.....	1890	1896	1898	1900
Total stores, 1890.....	63	31	28	23
New firms, 1896.....		48	29	23
New firms, 1898.....			17	6
New firms, 1900.....				25
Summary	63	79	74	77

CHANGES IN RETAIL FIRMS IN LA CROSSE
DURING 10 YEARS

Total retail stores in..	1893	1895	1897	1900	1901	1903
Total stores, 1893...	181	124	108	95	82	71
New firms, 1895.....		55	29	23	19	16
New firms, 1897.....			33	21	17	14
New firms, 1900.....				34	17	14
New firms, 1901.....					31	14
New firms, 1903.....						35
Summary	181	179	170	173	166	164

CHANGES IN RETAIL FIRMS IN BELOIT
DURING 10 YEARS

Total retail stores in.....	1890	1896	1900
Total stores, 1890.....	46	27	19
New firms, 1896.....		25	15
New firms, 1900.....			22
Summary	46	52	56

CHANGES IN RETAIL FIRMS IN EVANSVILLE
DURING 10 YEARS

Total retail stores in.....	1890	1896	1900
Total stores, 1890.....	14	7	5
New firms, 1896.....		10	4
New firms, 1900.....			6
Summary	14	17	15

CHANGES IN RETAIL FIRMS IN EDGERTON
DURING 10 YEARS

Total retail stores in.....	1890	1896	1900
Total stores, 1890.....	21	9	7
New firms, 1896.....		7	4
New firms, 1900.....			5
Summary	<u>21</u>	<u>16</u>	<u>16</u>

CHANGES IN RETAIL FIRMS IN CLINTON
DURING 10 YEARS

Total retail stores in.....	1890	1896	1900
Total stores, 1890.....	15	8	7
New firms, 1896.....		7	1
New firms, 1900.....			7
Summary	<u>15</u>	<u>15</u>	<u>15</u>

These compilations of the causes of failures are also taken from "The Economics of Retailing," by Paul H. Nystrom.

BRADSTREET'S CLASSIFICATION OF
BUSINESS FAILURES

BEGINNERS' HANDICAPS:

1. Lack of capital.....	29.7
2. Incompetence.....	30.2
(a) Inexperience.....	4.6
(b) Unwise credits.....	2.0
	<u>66.5</u>

PERSONAL FAULTS OF CHARACTER:

1. Fraud.....	10.3
2. Neglect of business.....	2.0
3. Personal extravagance.....	.7
	<u>13.0</u>

FACTORS THREATENING SUCCESS:

1. Competition.....	1.9
2. Failure of others.....	1.3
3. Speculation in other business.....	.8
4. Specific conditions (disaster, and so on).....	16.5
	<u>20.5</u>

CLASSIFICATION OF CAUSES OF FAILURES IN THE RETAIL BUSINESS

BEGINNERS' HANDICAPS:

Lack of capital.....	29.5
Incompetence (including inexperience).....	24.0
Unwise credits.....	4.4
General expense too high.....	3.0
Poor location.....	2.2
Expansion (branch stores).....	2.0
	<u>65.1</u>

PERSONAL FAULTS OF CHARACTER:

Fraud.....	4.0
Neglect of business.....	4.0
Personal extravagance.....	4.8
Intemperance.....	2.0
	<u>14.8</u>

FACTORS THREATENING SUCCESS:

Loss by storm, flood, fire, and so on.....	3.8
Sickness.....	3.5
Failure of others.....	2.6
Speculation.....	2.1
Competition.....	1.4
Closed by "sharks".....	1.2
Robbery of store.....	1.0
Death.....	.8
Loss in contracts.....	.8
Miscellaneous causes.....	2.9
	<u>20.1</u>

There's no questioning the value of information like this (from "The Economics of Retailing") in regard to any product. Data on the per capita consumption is necessary, most sales managers agree, to the most effective planning of selling and advertising drives.

CONSUMPTION PER CAPITA

Sugar.....pounds	81.6	Cotton.....pounds	20.0
Coffee.....pounds	10.0	Tobacco...pounds	5.7
Cocoa.....pounds	1.25	Soda water.....	\$1.20
Tea.....pounds	1.4	Crackers.....	\$1.00
Shoes.....	\$8.44	Flavoring extracts.	\$1.00
Wool.....pounds	5.25		

SOME ESTIMATED PER CAPITA CONSUMPTIONS
IN THE UNITED STATES

Line	Per capita consumption	Percentage of increase or decrease since 1875
Wheat.....bushels	6.48	+ 86.1
Corn.....bushels	27.3	+ 52.5
Sugar.....pounds	79.9	+107.9
Wool.....pounds	6.32	+ 59.2
Cotton.....pounds	24.8	+144.5
Coffee.....pounds	9.33	+ 28.7
Tea.....pounds	0.89	+ 38.2
Rice.....pounds	5.24	- 21.4
Bread.....loaves	52.7	- 41.8
Flour and meal.....pounds	142.13	+ 43.7
Fresh beef.....pounds	73.1	+ 59.3
Salt beef.....pounds	11.5	+ 21.4
Fresh pork.....pounds	23.7	+ 61.2
Salt pork.....pounds	23.1	+ 18.4
Other meat.....pounds	16.2	+ 72.3
Poultry.....pounds	14.1	+ 49.2
Fish.....pounds	16.6	+ 33.4
Eggs.....dozens	17.7	+ 62.4
Milk.....quarts	74.1	+ 43.7
Butter.....pounds	24.4	+ 54.3
Cheese.....pounds	3.3	+ 12.4
Lard.....pounds	17.5	+ 18.7
Molasses.....gallons	0.75	+ 13.2
Potatoes.....bushels	3.1	+ 18.1
Fruits.....	\$ 4.26	+ 52.3
Men's clothing (per adult male)..	\$27.77	+ 49.7
Women's clothing (per adult woman).....	\$20.37	+ 54.3
Children's clothing (per child under 10).....	\$ 3.05	+ 65.9
Fuel.....	\$ 8.01	+ 43.7
Lighting.....	\$ 2.03	+ 37.2
Furniture.....	\$ 8.33	+ 63.8
Books and papers.....	\$ 2.05	+ 72.5
Life insurance.....	\$ 6.67	+ 71.3
Malt liquors.....gallons	19.75	+185.5
Tobacco.....	\$ 8.44	+ 85.2

INCOME TAXES

The total of income taxes as shown here are the latest available on publication of this book. New York leads all the others, both in corporation and individual taxes.

States	Corporation	Individual
Alabama.....	\$ 887,906.92	\$ 200,385.29
Alaska.....	49,132.34	20,772.03
Arizona.....	637,993.92	200,330.75
Arkansas.....	306,310.84	179,413.47
California.....	6,147,289.14	3,870,314.24
Colorado.....	1,789,597.94	1,060,075.91
Connecticut.....	3,872,638.48	3,050,912.00
Delaware.....	2,791,067.72	3,666,351.92
District of Columbia....	579,311.46	1,186,133.33
Florida.....	227,655.04	305,879.91
Georgia.....	1,218,831.39	611,777.89
Hawaii.....	909,818.58	363,880.70
Idaho.....	217,479.58	176,711.97
Illinois.....	14,359,537.16	11,739,952.41
Indiana.....	2,261,049.58	1,233,845.52
Iowa.....	1,252,297.30	555,247.24
Kansas.....	2,349,847.01	568,181.91
Kentucky.....	1,252,485.55	393,271.63
Louisiana.....	1,269,121.11	813,542.12
Maine.....	815,750.20	377,375.05
Maryland.....	1,401,954.27	1,947,336.47
Massachusetts.....	9,320,716.63	10,959,847.50
Michigan.....	6,565,769.68	3,627,884.25
Minnesota.....	4,618,464.76	1,814,431.33
Mississippi.....	246,829.38	197,456.70
Missouri.....	4,596,170.35	2,516,416.54
Montana.....	776,719.99	298,627.47
Nebraska.....	779,615.94	368,710.97
Nevada.....	75,423.06	15,425.53
New Hampshire.....	283,937.07	236,565.38
New Jersey.....	5,250,581.86	5,621,910.08
New Mexico.....	300,134.14	82,760.87
New York.....	46,566,951.90	81,495,783.31
North Carolina.....	1,232,609.13	551,189.51
North Dakota.....	218,771.77	74,159.64
Ohio.....	12,873,403.13	8,066,088.77
Oklahoma.....	2,231,436.18	4,428,842.32

INCOME TAXES, Continued

States	Corporation	Individual
Oregon.....	\$ 406,931.70	413,684.24
Pennsylvania.....	24,238,266.36	17,860,341.18
Rhode Island.....	1,339,290.50	1,860,676.67
South Carolina.....	498,116.17	81,874.28
South Dakota.....	182,248.15	49,164.33
Tennessee.....	942,090.87	438,684.27
Texas.....	2,611,153.93	2,781,779.69
Utah.....	1,148,676.94	181,344.05
Vermont.....	184,547.33	369,879.07
Virginia.....	1,837,125.64	621,507.06
Washington.....	1,187,702.79	855,286.77
West Virginia.....	1,460,908.97	460,138.63
Wisconsin.....	2,716,523.54	1,179,826.21
Wyoming.....	184,694.47	66,361.72
Total.....	\$179,572,887.86	\$180,108,340.10

An annual report of the Commissioner of Internal Revenue shows the following incomes that paid fees under the income tax law. Taxes were paid to the Government by 357,515 persons. Of this number, 282,806 were married men, 51,729 were single men, 22,980 were single women, and 3,985 were married women who made separate returns.

FEDERAL INCOME TAX PAYERS

(Incomes that paid tax)

174 incomes exceeding \$500,000
69 between \$400,000 and \$500,000
147 between \$300,000 and \$400,000
130 between \$250,000 and \$300,000
233 between \$200,000 and \$250,000
406 between \$150,000 and \$200,000
1,189 between \$100,000 and \$150,000
1,501 between \$ 75,000 and \$100,000
3,660 between \$ 50,000 and \$ 75,000
3,185 between \$ 40,000 and \$ 50,000
6,008 between \$ 30,000 and \$ 40,000
5,483 between \$ 25,000 and \$ 30,000
8,672 between \$ 20,000 and \$ 25,000
15,790 between \$ 15,000 and \$ 20,000

FEDERAL INCOME TAX PAYERS, Continued
(Incomes that paid tax)

34,141	between \$	10,000	and \$	15,000
127,448	between \$	5,000	and \$	10,000
66,525	between \$	4,000	and \$	5,000
82,754	between \$	3,000	and \$	4,000

How do American families spend their incomes? Until a few years ago luxuries were "in the limelight." Then came a period when American families bought few luxuries, and the necessities of life were primary. Then again came an unusual demand for luxuries, and with it, what many termed a disregard for the necessities. Where will it stop? What will the demand be in the years to come—for necessities or for luxuries?

If merchandise is to have in it a selling idea, according to some progressive business men, it must represent utility. It may be interesting, therefore, to see in this table just how American families are spending their incomes. Luxuries are, of course, included under the miscellaneous column.

PERCENTAGE OF TOTAL EXPENDITURES

	Food	Cloth- ing	Rent	Fuel and light	Mis- cel- lane- ous
Under \$200.....	50.9	8.7	16.9	8.0	15.6
\$ 200 up to \$ 300.....	47.3	8.7	18.0	7.2	18.8
300 up to 400.....	48.1	10.0	18.7	7.1	16.1
400 up to 500.....	46.9	11.4	18.6	6.7	16.5
500 up to 600.....	46.2	12.0	18.4	6.2	17.2
600 up to 700.....	43.5	12.9	18.5	5.8	19.4
700 up to 800.....	41.4	13.5	18.1	5.3	21.6
800 up to 900.....	41.4	13.6	17.1	5.0	23.0
900 up to 1,000.....	39.9	14.4	17.6	5.0	23.2
1,000 up to 1,100.....	38.8	15.1	17.5	4.9	23.7
1,100 up to 1,200.....	37.7	14.9	16.6	4.7	26.1
1,200 and over.....	36.5	15.7	17.4	5.0	25.4
Average.....	43.1	13.0	18.1	5.7	20.1

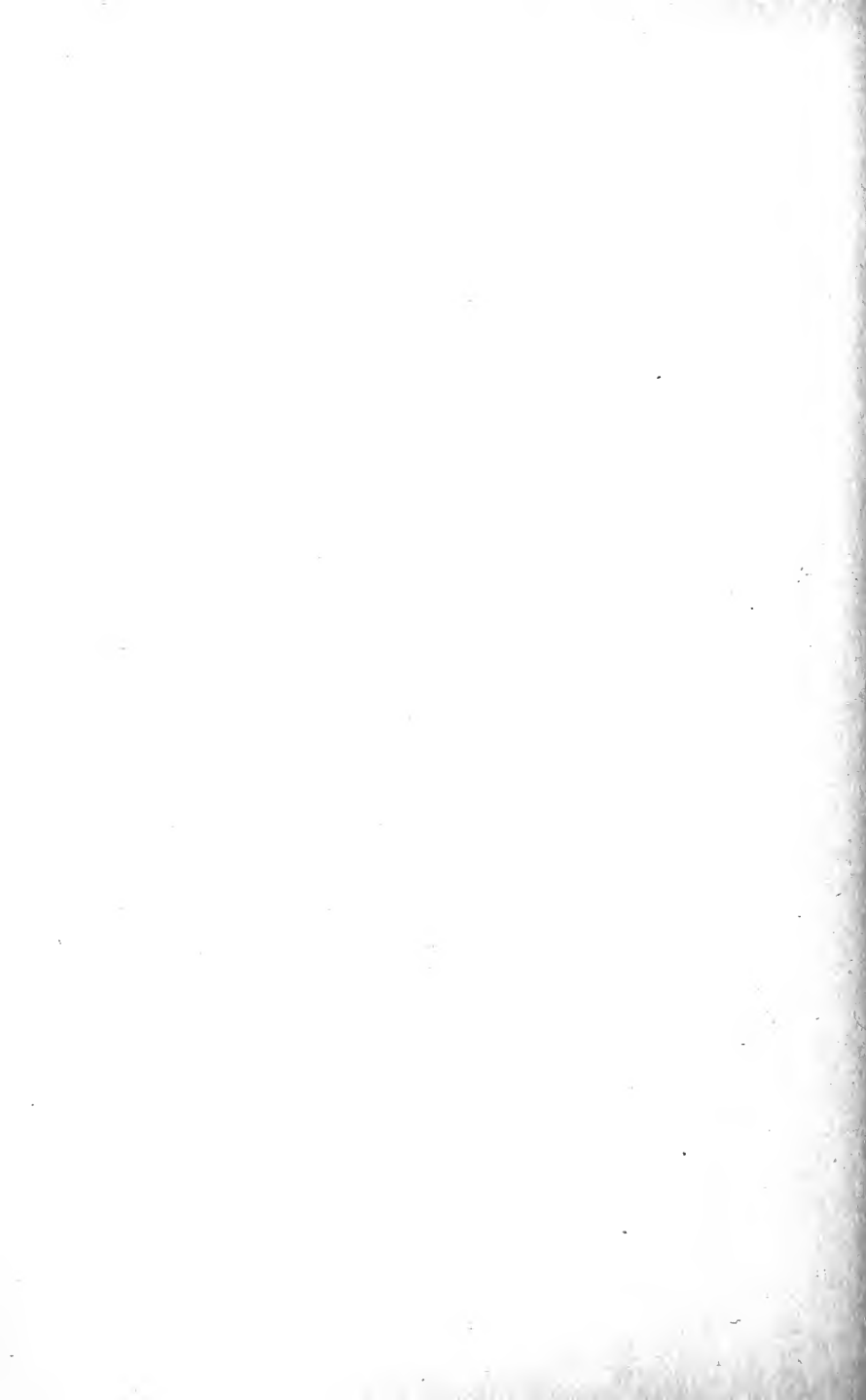
(Investigated by the United States Bureau of Labor)

BUYING

Analysis of Expenses of an Average American Family*

Fresh beef.....	\$ 50.25
Salt beef.....	5.26
Fresh hog products.....	14.02
Salt hog products.....	13.89
Vinegar and pickles.....	4.12
Other food.....	20.40
Other meat.....	9.78
Poultry.....	9.49
Fish.....	8.01
Eggs.....	16.79
Milk.....	21.32
Butter.....	28.76
Cheese.....	2.62
Lard.....	9.35
Tea and Coffee.....	16.04
Sugar.....	15.76
Molasses.....	1.69
Flour and meal.....	16.76
Bread.....	12.44
Potatoes.....	12.93
Other vegetables.....	20.90
Fruit.....	16.52
Rent.....	99.53
Principal and interest on mortgage.....	12.15
Taxes.....	5.75
Insurance.....	20.98
Fuel and lighting.....	40.36
Lighting.....	8.15
Clothing.....	107.90
Organization fees.....	8.90
Religious purposes.....	7.60
Charity.....	2.39
Furniture and utensils.....	26.28
Amusements and vacations.....	12.30
Books and newspapers.....	8.38
Intoxicating liquors.....	12.45
Tobacco.....	10.91
Sickness and death.....	20.52
Other purposes.....	45.14
Total for all purposes.....	\$768.64

*From the Eighteenth Annual Labor Report of the United States Bureau of Labor.



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